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FINANCIAL TIMES

No. 25,605 Monday November 15 1971 ** 6p

News Summary

GENERAL

Ulster security net for Wilson

Ulster was bracing yesterday for two developments this week expected to prove of major political importance: the publication of the Compton Report to-morrow and the five-day visit, starting to-day, of Opposition leader Wilson.

Stringent security measures are being taken for Mr. Wilson's visit in expectation of Protestant demonstrations. He will meet Premier Faulkner as well as representatives of the Catholic community.

Meanwhile, it is expected that the Compton report will clear security forces of general charges of brutality against detainees, although it may arouse some disquiet over the treatment of some individuals. Back Page.

...ndian restraint ...n border crisis

...kistani jet fighters were alleged to have made another intrusion into Indian air space yesterday as both Governments continued to accuse each other of military provocation. In New Delhi, however, Mrs. Gandhi, reporting to the Cabinet on her western tour, indicated she would use restraint in dealing with the crisis. Page 7

...hip attack

...ntity of two small ships which attacked the British cargo vessel, City of St. Albans, off ...st Pakistan continued a mystery. Both were blacked out when they attacked, reportedly ...ing the City of St. Albans 49 ...es with tracer and shells.

...orld Cup win ...r U.S. pair

... U.S. won the World Cup competition, Jack Nicklaus (69, 63, 71) and Lee Trevino (69, 71, 69) beating South Africa's Gary Player and Harold ...ning by 12 strokes. England's ...y Jacklin and Peter Oosterhuis finished joint sixth. Ben ...ght, Page 3

...dy Fleming here

...y Fleming, widow of the discoverer of penicillin, was flown ...ondon yesterday after being expelled from Greece, where she ...been sentenced to 16 months' for allegedly plotting to help ...litical prisoner escape. Her ...ence was suspended for eight ...ths because of her poor ...th. The Greek Government ...oight said she had been deprived of her Greek citizenship.

...ree escape ...m Dartmoor

...e set up roadblocks around ...moor after three prisoners ...over the prison wall in the ...n's first escape for over two ... The men involved were ...og sentences of between ...nd ten years.

...near, yet . .

...er 9, which has become ...irst man-made satellite to another planet, took photos of Mars from a distance ...ly 850 miles, but they continued to be heavily obscured.

...membering

...Queen led the nation's ...ge to the dead of two ... wars in the traditional ...mbrance-Day service at the ...aph in Whitehall. After... hundreds paid their per... tributes.

... Euston show

...r MP Leslie Huckfield has ... a Commons question ask... ...st British Railways should ...rected to tell passengers ...hey are being watched— ...cameras high in the roof ...ndon's Euston station. BR ...hey are for crowd control.

...efly . . .

...round of the SALT opens ...ly in Vienna to-day. Page 4

...Snowdon was "satisfactory" in a London hospital after ...operation—the second this ...for what was described as ...nor ailment." No details ...given.

...Premier Castro hinted at ...le military aid for Chile ...peech at Santiago. Page 7

...um Bond 2EZ 020802 won ...eek's £25,000. The winner ...n Wigtownshire.

...people died, three were ...when their car hit a lamp ...rd in Glasgow.

...one engineers were work... restore full services on ...'s Mansion House (626) ...ge after a fire damaged ...ent there.

...uths were detained in a ... drugs raid on a flat in ...ss Street, Barnsley. They ...pear in court next month.

BUSINESS

Mobil has £13m. plan for Coryton

● MOBIL OIL plans a £13.5m. expansion at its refinery at Coryton, Essex, to raise capacity from 140,000 barrels a day to 180,000. Among other improvements, crude oil storage is to be increased by two 650,000-barrel tanks. Other oil groups also responding to expectation of higher demand include Esso and Amoco, at Milford Haven; Shell at Shell Haven and Stanlow; and BP which is studying plans for Grangemouth. Overall U.K. refinery capacity, now 2.25m. barrels a day, is likely to reach 2.7m. by 1973 and 3m. by 1975. Back Page

● FIRST OFFER FOR SALE of shares in U.K. North Sea oil and gas company is to be made this week. One quarter of the 6m. 10p shares of Oil Exploration (Holdings) will be offered at 40p each. The company, formed in 1964 by Ionian Bank and others, has a 4.26 per cent. stake in a consortium led by Phillips Petroleum—which, with the Arpet group, supplies natural gas to the Gas Council from the Hewett Field off Norfolk. Pages 27 and 28

French move could affect Jaguar jet

● FRENCH PURCHASES of Jaguar (Anglo-French) tactical support aircraft, for which Rolls-Royce makes engines, may be affected by the possibility that France may buy back from Israel the 50 Mirage V jets on which President de Gaulle put a sales ban in 1967. In secret talks Israel, it is said, has insisted that if it re-sells the Mirages, which are still in France, they must not be sold by France to an Arab State or any other country. The Mirages are destined for France's Air Force, it is believed. Page 27

● AIRLINE PROFITABILITY is the subject of a major review started by IATA, the world airlines' body. A preliminary report is planned for next March to outline possible improvements. Stated aims include stress on innovations and productivity, and more unity in marketing policies, notably over demands for low fares. Page 11

● NON-RETURNABLE PACKAGE problem should be studied by a Government-backed working party; Cadbury Schweppes has suggested to the Environment Department. This follows talks between Lord Watkinson, chairman of Cadbury Schweppes, with the Friends of the Earth, the anti-pollution body which made the company the target in its campaign against non-returnable bottles. Page 4

● TALKS WITH UNION leaders have been requested by the Labour Party to draft an Industrial Relations Bill, for a future Labour Government, replacing the new Act. The talks, involving the TUC, Labour Party national executive and the Labour Parliamentary group, will be part of discussions on public ownership, multi-national companies and an economic policy. Page 27

Engineering pay contest

● ENGINEERING EMPLOYERS answering unions' claim for an extra £700m. — including an across-the-board rise, higher minimum rates, equal pay, a shorter week and longer holidays—are likely to-morrow to offer only a small rise in the minima. The employers will make no across-the-board offer, it is thought, and will firmly defend the 40-hour week. The national talks may break down, in which case claims on individual employers could follow. Back Page

● WEST GERMAN METAL workers' union chiefs, meeting to-day, seem likely to decide to call a strike in the Stuttgart area to back an 11 per cent. pay claim, following a 90 per cent. majority in a strike ballot. But yesterday an employers' spokesman spoke of renewed negotiations on a 7 per cent. rise for 12 months. Back Page

COMPANIES

● MARLING INDUSTRIES first-half profit has risen to £145,000 (£123,000), helped by the consolidation policy. Interim is again 5 per cent. Marling has agreed terms to acquire Eurochem, supplier of fibre bonded acoustic insulation materials and adhesives. Page 28

Crucial Rhodesian talks open to-day

BY BRIDGET BLOOM AND TONY HAWKINS, Salisbury, Nov. 14.

THE decisive and possibly final round of Anglo-Rhodesian settlement talks starts here to-morrow when Sir Alec Douglas-Home is scheduled to hold a private meeting with Mr. Ian Smith soon after his arrival.

At this meeting, the programme will be finalised for the ensuing days, which will involve Sir Alec and his team in talks not only with Rhodesian Government leaders but also with "representative Rhodesian opinion," including African.

There is considerable optimism here, although with so many past failures there are few people who, at this stage at least, will take an outright bet on a successful outcome. Part of the trouble is that so few details are yet known of what has so far been agreed at the painstakingly slow exploratory talks.

Theories

One theory is that the cautionary and pessimistic noises which have emanated from both Sir Alec and Mr. Smith in the past week or two cover up an already very wide area of mutual agreement. Both men, those who support this view argue, must appear pessimistic to avoid, for their very different political reasons, an accusation of "selling out," even though a settlement is virtually a fact already.

But there is also a considerable body of opinion which, drawing on past experience, sees the two sides as ultimately irreconcilable.

The next few days will show which of these two opposed views is right—although it seems clear that both the British team and the Rhodesians will do their best to keep the actual content of the discussions secret.

The points at issue are only too clear, although it is widely accepted that scope for compromise does exist. The main question is still whether that compromise can be kept to the satisfaction of Sir Alec within the five principles. It seems probable that Mr. Smith—for all his bluster about not compromising on *his* principles—has already conceded the first British principle of progress towards majority rule. But one crucial point in any settlement must be how and when that majority rule is achieved.

There are two elements in negotiations on this issue. The first is the constitutional machinery for achieving majority rule, and the second is the time scale.

It has been reported (and never denied) that Lord Goodman's talks included the possibility of a two-stage deal whereby Africans in Parliament would progress towards parity with Europeans after which, in an obscurely defined way, they would advance to a majority position. This begs all sorts of practical questions, not least the extreme difficulty of defining at least a decade in advance the machinery for the achievement of the second stage.

What seems more logical is a reversion to a Tiger/Fearless formula with entrenched blocs of black and white seats in Parliament and a middle area of common seats to be chosen by a common roll with a fairly stiff education/income franchise qualification.

This is where the time factor enters. From the British viewpoint, seeking "unimpeded progress towards majority rule," there are too many ways in which a Rhodesian Government could hinder such progress merely through its control of the administrative machinery — African education, delimitation of constituencies and even job reservation.

Time scale

The real gap is likely to be about the time scale. The Rhodesian idea of African advance as enshrined in the 1969 constitution envisages eventual parity between the 275,000 "Europeans" (whites, coloureds and Asians) and the 5.2m. blacks when both groups pay equal amounts of personal income-tax. Tax figures published at the week-end for 1970 show the African contribution at just over 1 per cent. of the total. It has been estimated that even on favourable assumptions it would take some 500 years to reach parity.

In other words, even if the two sides can manage to agree on the ultimate objective and on the means of approaching it, there would still be tough bargaining on the time scale.

Intimately tied in with the first principle is the second, requiring guarantees against retrogressive amendment of the constitution. It is thought that Sir Alec would be prepared to abandon the "external guarantee" of appeal to the Privy Council—ostensibly the reason for failure of the Fearless talks.

However, it is believed that he will insist strongly on an internal guarantee of securing a "blocking" quarter or third of elected Africans without whose agreement amendment of the entrenched clauses of the constitution would be impossible.

To put it crudely, the difficulty here from the British point of view will be to ensure that the "blocking group" of Africans is large enough to obviate the danger of their being "bought over" by the Rhodesian Government.

A possible variation which has been suggested recently is that any amendment to the entrenched clauses should have to be supported by the majority of elected Africans. But it is hard to see Mr. Smith being prepared to accept this.

Principle Three—an immediate improvement in the political status of the Africans—is likely to have proved the least demanding obstacle. It is quite feasible to extend the franchise to do this (on a lower or African roll) without affecting *representation*—which is what really counts.

But Principle Four poses a major snag. This calls for progress towards ending racial discrimination. The Fearless agreement called for the establishment of a commission to study and make recommendations on the problems of racial discrimination, including what is now the Land Tenure Act. Thereafter, there would be a standing commission established to review progress.

Since Fearless, the Land Tenure Act (replacing Land Apportionment) has been introduced and entrenched in the new constitution, which the previous land Act was not. Recently, too, the Rhodesian Government has been showing signs of intending to implement the Act by the removal of Africans from mission land in white areas. It has subsequently

Continued on Back Page

Connally's currency warning

BY PAUL LEWIS, U.S. EDITOR WASHINGTON, Nov. 14.

THE U.S. Treasury Secretary, Mr. John Connally, returned here over the week-end from his talks with the Japanese Government on the economic crisis to issue a blunt warning that the present period of floating exchange rates was not hurting America and could continue "for an almost indefinite period."

At an airport briefing, he said that, while the Japanese wanted an early end to the uncertainty caused by President Nixon's August programme, and the discussions in Tokyo had been conducted "with understanding and mutual sympathy," neither side had sought or offered any specific agreement.

In the meantime, he saw no danger of the U.S. import surcharge sparking off an international trade war ("In periods of uncertainty, you get all kinds of predictions," the Treasury Secretary said). The domestic economy had made a promising start on its recovery course, and there was, therefore, no reason why the world currency float should not continue indefinitely.

Highlight

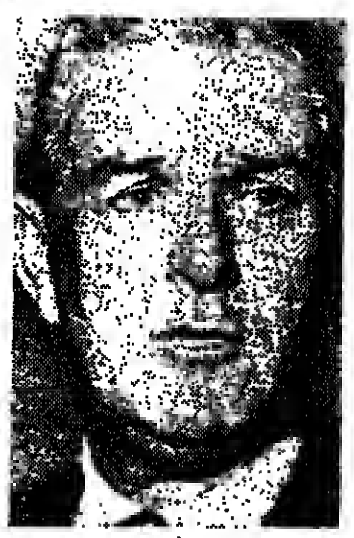
As usual, Mr. Connally's remarks mixed toughness with reassurance. And, while it would be unwise to attribute too much importance to them when he is due to set out his thinking in greater detail in a major speech on Tuesday, the least one can say is that they have provided a somewhat ominous opening note for a week of exceptional importance for the domestic American economy and the world trading picture.

From the international point of view, the highlight of the week undoubtedly will be the Treasury Secretary's address to the New York Economists' Club on Tuesday evening.

It offers a chance to provide an up-to-date statement of the administration's thinking on the American import surcharge and world montery reform, following the negotiations with Japan and other trading partners and its decision to postpone the next ministerial meeting of the Group of Ten until after the summit talks between President Pompidou of France and the West German Chancellor.

In domestic terms, the next few days will be of particular importance since they not only mark the opening of Phase Two of President Nixon's economic stabilisation programme, but they should also reveal how far organised labour is prepared to co-operate with the administration's incomes policy. The new controls on wages and prices officially came into force at mid-night on Saturday with the ending of the 90-day freeze, and on Wednesday the AFL-CIO (the American equivalent of the TUC) will be meeting in Miami to review its grievances over them.

Both the domestic and the foreign aspects of the President's new economic policy will come together at the international trade conference that opens in New York to-morrow and also in Wall Street's behaviour next week after its recent substantial fall. The conference may show how far the foreign trading community shares Mr. Connally's sanguine attitude to floating exchange rates and the risk of retaliatory trade measures, while the stock market will have to decide whether the remaining uncertainties at home and abroad continue to outweigh the case for a correction.



Mr. John Connally

During his talks in Tokyo, the Treasury Secretary was hoping at least to sketch out the basis for a settlement with the country that has made the biggest contribution to the American payments deficit and is now the largest official dollar holder in the world. A bi-lateral understanding of this kind would increase the pressure on the Europeans to settle more quickly.

At present, it is difficult to judge what success Mr. Connally enjoyed. Although his trip was carefully prepared, and there have been some signs of late that the two sides were moving closer together, his suggestion of another meeting with Japanese ministers in about six weeks' time, either in Anchorage or Honolulu, casts a shadow of doubt over the prospects for a solution to the surcharge question this year.

Parities

The American attitude towards the Europeans also points in this direction. For, while Mr. Connally's decision to postpone this month's ministeral confrontation in Rome shows he is more worried than he admits about the effect of continued disagreement on business confidence, it was primarily intended to give Chancellor Brandt and President Pompidou another chance to sink their differences and reach a common position.

However, even if the two leaders can agree on a new fixed parity between the franc and the mark, and the French government softens its hostility towards any appreciation of its currency, there is no sign that the Europeans and Japan as a group will drop their demand that the U.S. participates in a realignment by devaluing the dollar itself.

For this reason, there is growing pressure on the U.S. Treasury at least to announce its willingness to fix a lower parity for the dollar in terms of the IMF Special Drawing Right, with which it wishes to replace gold as the basis of the monetary system.

Cheap ICI way to clean car exhaust

BY DAVID FISHLOCK, SCIENCE EDITOR

ICI chemists have discovered inexpensive catalysts they believe can clean up car exhausts to the rigorous standards demanded by the U.S. Government for 1976 models.

Until now, the major U.S. and European motor manufacturers have maintained publicly that these standards, at least in respect of nitrogen oxides, could not be met.

But British Leyland research engineers, who have been working closely with ICI in recent months, support the ICI claim. "Certainly we're very optimistic," said one at the week-end.

The discovery, if verified by durability trials in vehicles over the next few months, could open up a new market worth many millions of pounds annually for British catalysts. Even a small European car would need about 4-5 pounds, and the bigger and cooler U.S. engines appreciably more.

The world market for cars is just over 20m. a year. U.S. car makers, with about half this production, have already given the system a most enthusiastic welcome this autumn, claims ICI.

Estimates

One U.S. estimate is that a catalytic clean-up might now be installed for as little as $100, compared with $200-$300 for the cheapest alternatives in sight.

How much the catalyst will cost depends to a large extent on the economics of manufacture on a scale much greater than anyone has attempted before. It would certainly involve ICI in an investment of several million pounds. But preliminary estimates suggest that the catalyst will cost about $2-3 per pound to manufacture.

The discovery was made in the laboratories of ICI's agricultural division on Teesside, which has a research team of about 100 working on catalysis, and particularly on reactions involving nitrogen compounds.

For the past 18 months, this team has collaborated with British Leyland's atmospheric pollution control laboratory in Coventry, in engineering catalytic emission control systems.

The primary goal has been to meet the U.S. Federal regulations expected to come into force in 1975-76, which are extremely severe.

They demand a 97 per cent. reduction in carbon monoxide emitted, a 98 per cent. reduction in hydrocarbons, and a 90 per cent. reduction in oxides of nitrogen, compared with the untreated exhausts. Eliminating the highly toxic oxides of nitrogen was generally regarded as the most difficult demand to meet.

Each of the companies has designed a two-catalyst system, "comparatively small and simple," to quote a British Leyland engineer, which in low-mileage trials on the Morris Marina fulfils all these demands.

These are straight-through systems, requiring no recycling of the exhaust, and no controls. Lead "poisons" the catalysts, but it is assumed that by the time the system is required, petrol containing lead will be forbidden.

British Leyland is about to begin the crucial durability tests on both systems, again using Marinas. They call for a 50,000 miles' life test, with emission assays every 4,000 miles. At roughly 4,000 miles a week, these tests will take at least three months to complete.

Misfires

They will reveal how, for example, the catalysts are affected by engine malfunction, such as partial misfires, which could deposit unburnt fuel on the catalyst and cause it to overheat.

Millions of dollars have already been spent in the U.S. in the search for catalytic emission control systems.

ICI, which is one of the world's biggest suppliers of catalysts to the chemical process industries—it already exports catalysts worth several million pounds annually—has applied for patents on the new catalysts and on its own emission control system. The company remains free to licence these developments world-wide.

Close strike majority at Coventry

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

IF ENGINEERING union leaders to-morrow back their Coventry District Committee's decision to begin an all-out strike next Monday it will be against the wishes of the majority of those at most of the 57 factories involved.

This is quite clear from the results of the balloting—a straight for or against an all-out strike—which I was able to obtain at the week-end.

The slender majority for striking of 498 from the 6,304 votes cast (3,401 in favour—54 per cent.; 2,903 against) was achieved only because Rolls-Royce workers, already locked out indefinitely and having nothing to lose, voted heavily for striking—863 to 83.

Mr. Hugh Scanlon
AEUW president, faced with the situation at Coventry and also a national wage claim—
See back page.

The militant Triumph car plant and Renold Chain, where some workers have been laid off, voted overwhelmingly the same way, Triumph 288-60 and Renold 106 to one.

These three factories alone produced a 1,113 majority for striking. This means that at the other 54 plants there was a majority of 615 against striking. All the non-federated firms, principally Automotive Products, Chrysler and Massey-Ferguson voted against, as did a majority of the smaller federated firms.

A factory-by-factory breakdown of the voting will be put in front of members of the engineering union's executive to-day by Mr. Jim Griffin, president and shop stewards' convener at Triumph, and Mr. Andy Boyle, secretary of the district committee.

They will also make personal reports on the dispute, which is over the termination by Coventry Engineering Employers' Association of the 30-year-old agreement that tied the rates of toolroom workers to the average for highly paid skilled production workers.

Rules snag

The association wants to replace it by individual plant bargaining. This has led to ten Monday strikes by more than 7,000 workers, counting to-day, costing more than £40m. in lost production. For four Tuesdays the employers have locked the men out in retaliation. There will be another lock-out to-morrow.

An official all-out strike at Coventry would quickly put about 50,000 workers out of jobs and cost the engineering union £50,000 a week at least in strike pay.

Although Coventry District Committee argues that a straight majority is in this instance sufficient to call a strike, union rules say there must be a 60 per cent. vote for a district strike.

The union executive must therefore decide whether the 54 per cent. for striking which the voting disclosed justifies, in view of the way it went at most factories, endorsing a strike next Monday.

Meanwhile the employers' association, which has been accused of being arrogant and truculent, said last night it was willing to meet the union again, at local or national level, at any time if there was a genuine intention to resolve the problem.

ON OTHER PAGES

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

N. Ireland • Steel prices • Pay scales

Sir,—I write with respect to Joe Rogaly's article about the "reunification" of Ireland on November 3. It was based, it seems to me, on the same fallacy as British policy towards Ireland between 1886 and 1914. The fallacy is that Ireland is one nation, wrongly disunited, and destined to be re-united. The fact of the matter, however, is that Ireland is two nations, different socially, culturally, territorially, psychologically and politically. (Before the Anglo-Irish Free Trade Agreement of 1958 we could also have said "economically.")

The problem is that the Catholic nationalists have always claimed to rule the Protestant nation. "The minority has no right to opt out," is the cry, manifested in De Valera's 32 County Constitution and the present IRA campaign. This attitude denies self-determination (an elementary right) to the Protestants.

The Protestants resist this, and when the British Governments acceded to the Catholic claims as they did in the 1886-1914 period, the Protestants opposed them as well (the Curragh Mutiny, the UVF) and succeeded in changing British policy by the threat of force.

If British policy were to revert to "united Irelandism" there would be the same opposition. This time perhaps the guns might be used.

A lasting solution must be based not on a compromise with the undemocratic claims of the Catholic nationalists, but on a change of attitude in Dublin. In short, the South must recognise the North.

This would constitute a radical shake-up of Catholic politics, which is largely based on degrees of nationalism. Faint as the hope is, it is the only solution.

D. R. Stead,
138, Lordship Road, N.16.

Deliberate fomentation

Sir,—With complete disregard for relevance, the cry, "South Africa," goes up immediately one ventures to criticise the antagonists, however violent, of an established order. Perhaps Mr. T. C. O'Herlihy (Nov. 10) has not heard that the Government of South Africa represents a white minority which is the exact opposite of the situation in Ulster. Of course, one does not have to live in a country to be able to comment and, although I have visited Ireland, North and South, many times, I have never lived there and yet I comment. One simply has to be more careful in making one's judgments.

That discontent exists in Ulster and is caused by discrimination is not really in dispute. Discrimination exists within most communities, but how much of that in Ulster is not, perhaps, induced by the very intransigence of the minority population? But let us not mistake the excuse for the cause. Contrary to Mr. O'Herlihy's assertion, the trouble in Ulster is basically associated with union with the South and is deliberately fomented by gangs of criminals who coerce and take advantage of a lunatic fringe among the minority population.

To compare Ulster with Kenya, Cyprus and Palestine is sheer muddled thinking and, without going into the merits or demerits of their respective cases, it is a matter of historical fact that in these countries the British Army, although acting in support of law and order, was nevertheless opposed by a majority of the native population. By contrast, in Ulster the British Army is supporting a government elected by a majority of the population and acts only against known criminals of whatever creed; unless, of course, Mr. O'Herlihy eats his words and considers the matter in the context of a united Ireland. It might be irrelevant, though also interesting, to have Mr. O'Herlihy's views on the Spanish and Portuguese African colonies.

"By their acts shall ye know them," and God forbid that the people of Ulster should ever be handed over to a country so devoid of moral principles as to aid and abet hooligans of the IRA kind, who murder indiscriminately and perpetrate such brutalities as the tarring and feathering of teenage girls. Not only is the freedom of the people of Ulster to live in peace being denied them, but their very freedom to live.

A. H. R. Delens.
Windrush, Manor Road,
Henley-on-Thames.

Vision for the future

Sir,—*If T. C. O'Herlihy knows* of authentic cases of discrimination against Catholics in N. Ireland since the passing of recent legislation, he should let your readers, and particularly Mr. Faulkner, have the facts. These cases could then be dealt with under the Acts in a democratic manner.

The British Army is at present engaged in suppressing terrorism, and anyone threatening to use a weapon irrespective of religion, age or sex is liable to be shot. Internment is likewise non-discriminatory. On the point of history the "natives" of Ulster are the descendants of the ancient Irish, known as "Scots," who raided the coasts of Britain and occupied Argyll and other parts, returning later to their native Ireland, and being erroneously known as Scottish. In one of their forays against Britain they captured a lad who later as a slave tended sheep on the slopes of Slemish in Co. Antrim. This lad later escaped to Britain, became a bishop named St. Patrick, returning to Ireland in 432 AD to spread Christianity. St. Patrick was a Christian, neither a Roman Catholic nor a Presbyterian.

Herein lies hope for the future of Ireland. It is in the rededication of all people in Ireland to Christianity under the Church of St. Patrick, leaving individuals free to worship according to their creeds, but all owing allegiance to Christianity as taught by Ireland's long-accepted Patron Saint.

We should not "forget the past" as is so often suggested, but rather, "remember the past," for Ireland has a heritage of learning, and a culture of great antiquity, and much to be proud of in her contribution to Civilisation.

And above all else politicians must never be allowed to stand for election under religious banners, for the Christianity of St. Patrick is indivisible.

And what is the vision for the future?

It is of a land of wondrous beauty, whose people are kindly, hospitable, humorous and endowed with a deep sense of Christian morality, preferring Christianity and Peace to Paganism and War; a land conscious of the social and economic advantages of close ties with Britain, as indeed all thinking people in Ireland recognise to-day; a land drawing pilgrims and holidaymakers from all over the world to view her shrines and ancient monuments, and to enjoy just being back in Ireland.

George H. Adams.
Arden,
Loudhams Wood Lane,
Chalfont St. Giles.

Medical examinations

Sir,—For many years past I have been uneasy in my mind concerning the medical examination requirements of large companies and similar organisations. The recent case of Asa Hartford the West Bromwich footballer has done nothing to allay my fears.

I know we can argue the rights and wrongs of this thing until the cows come home, but basically there is no argument against the rights of the individual not to have his most private and intimate concerns made public.

Asa Hartford is a particular example of what might happen when the system goes wrong, the very livelihood of a man can be taken away from him. This I feel is going far and away beyond any reasonable requirements of an employer.

In this computer age we suffer too much from noseyparkering, from far too many quarters. I feel that industry should be prepared to take the risk. There are other values in life besides money.

A. R. Paske,
Chairman, Regal Packaging.
Rentford, Newmarket.

Steel price increase

Sir,—*Your report (November* 10 page one) that the British Steel Corporation will seek a 5-10 per cent. price increase next April refers to last April's increase which the Government reduced to 7 per cent. in place of the 14 per cent. which the BSC had sought.

The substantial part of the private sector in the steel industry which is concerned with the production of alloy and special steels suffered grievously last April from the way in which the BSC saw fit to apply to its various products the general 7 per cent. award.

In more common and carbon steels the BSC enjoys a near monopoly position whereas in stainless, alloy and more specialised steels its production is less preponderant. To these two main categories the Corporation last April applied substantially different increases, awarding *to itself* 10-11 per cent. on the more common steels and approximately 3½ per cent. to the general run of alloy steels where it has to meet a good measure of competition from U.K. makers.

It will be appreciated that, whatever the legal position, it is essential for private sector steelmakers to accept the price leadership of the Corporation in the home market for the general run of products. The effect of decisions on pricing made by the BSC in its vastly powerful and, in some products, near monopoly position is therefore of the most vital consequence to the independent makers. The Corporation's ability to manipulate prices to its own advantage may well be represented as no more than sensible commercial prudence. Nevertheless the sheer power to affect the fortunes of the rest of the industry by such manipulation is a matter for grave concern.

It is to be hoped that the Government appreciates the full implications of the possession of this particular power and that it is alive to some of the consequences if it is in any degree abused.

The private sector awaits with uncommon interest the lead which will be given by the Corporation whenever the next increases are applied and my own company looks to those concerned with the application of any increases for fair and honourable treatment.

Tom Kilpatrick,
Chairman and Chief Executive.
Brown Bayley Steels.
Leeds Road, Sheffield.

Planning for mechanisation

Sir,—Addressing The Institute of Materials Handling on November 1, Mr. Roberts, the Director of Operations of The Post Office, described, *inter alia*, how highly labour-intensive was his operation and how mechanisation would result in the curtailment of public freedom. "Zip-codes" would be necessary, envelopes must be standard, fewer deliveries would be possible and prices would rise. However, neither he nor Mr. Ryland, when on television the following day, drew attention to the two most important aspects of the change.

First, mechanisation should be to enable human lives to be more enjoyable and not merely a gimmick to enable paper profits to be created; and second, that as a major employer of labour, any reductions will create further unemployment thus causing higher taxes from which to pay the benefits. These latter may well offset the lower prices paid by *the individual*.

Workers in contact with the public achieve more job satisfaction than those who operate machinery because they are required to use their brains and because they develop pleasant social contacts with the customers. This is why they are normally prepared to accept lower pay than those who demand high rates to offset the boredom created by working on soul-less repetitive work.

The time may well have arrived when society should look to creating an environment which is free and happy and rewarding rather than soul-less, restricted, and even very profitable in pure accountancy terms. The reason why God is largely ignored by so many people to-day is that we have the wrong God—money is a pretty useless God! Personal freedom, peace of mind and happiness of the individual would be a better one.

If we are to plan for mechanisation, restrictions and high profits we must also plan for permanent high unemployment or very short working weeks. These will demand that the public be "educated" so that they can enjoy their freedom without frustration (not merely technically trained) and the result may be that the educated enjoy life on National Assistance while the technically trained but uneducated populace do the work within the rat-race of commerce. This, rather than excuses for higher prices, is the real question for the electorate to settle.

Bruce Gillett.
Garrick Lodge, Litlington,
Polegate, Sussex.

Managers' and workers' pay

Sir,—I was surprised to read the conclusions AIC drew from the narrowing gap between managers' and workers' pay levels, as reported in Elsbeth Ganguin's article on November 8, page 5.

"A flatter system based on a more egalitarian philosophy" is an interesting idea. But surely the hard facts are that one body is "organised" and can exercise sanctions to back its negotiations, and therefore obtains for itself a larger slice of the cake, than the other body, which negotiates individually, if at all, and hence, generally less effectively.

If this hypothesis is correct, what implications are there for the future? Perhaps the lower-paid managers, followed by the not-so-lowly-paid, and so on, will be moved to take corrective action by becoming "organised" themselves. UKAPE, ASTMS and others are no doubt well aware of this possibility, but are senior management? They, too, should be alive to the implications and take action now to ensure that they exercise control over the changing situation.

Roger Usherwood.
15, Peacock Road,
King's Heath,
Birmingham.

Direct tax on spending

Sir,—Your correspondent, Mr. S. W. Penwill (November 3) writing about the simplification of tax, makes certain suggestions about this, but seems to reject the idea of a tax on spending as this would bear heavily on the poor.

This would be so if the tax were levied indirectly, as is purchase tax; but need this be so? Why should there not be a direct tax on spending, as there is now a tax on income?

Ignoring any assets, for the moment, the tax could be levied on the difference between income received during the course of a year and the amount remaining unspent.

Assets held at the beginning of and throughout the year would not have any effect on the tax. Assets received during the year and held to the end would also have no effect. Money received for assets disposed of during a particular year would be treated as income. If new assets were acquired, the amount paid for these would be set against the money acquired for assets sold.

The effect of all this would be a tax on net annual spending. There could be allowances, as there are in the system of income tax, to be set against tax liabilities. The rate of tax could be varied, as in income tax. Exceptional spending would result in an exceptionally high rate of tax. An exceptionally low rate of spending would result in an exceptionally low rate of tax or total exemption.

The fact that it was a tax on spending would encourage thrift—though this, to-day, seems to be a dirty word in some quarters. Other taxes, such as capital gains tax could be dispensed with. Indirect taxation need only be used as a means of discouraging excessive purchases of items such as drink and tobacco, if this were considered advisable, rather than as a means of raising income.

Much of the present administration involved in purchase tax, and other indirect tax collection could be dispensed with. I do not see how a spending tax would be any more complicated to administer than the present income tax plus capital gains tax. It would have the merit of allowing the tax payer to decide whether or not he would pay it, by increasing or decreasing his spending. It would also place the burden of taxation where it should be placed—on those who make demands on the nation's resources.

W. F. Richardson.
34, Queen's Drive,
Fulwood, Preston.

Guiltless of pollution

Sir,—Mr. Walker (November 11) presumably finds taxis and lorries "worse" about pollution because he can see the filthy smoke they emit more clearly. It is, however, questionable whether visible smoke is more harmful than invisible fumes. There is only one form of road transport which is completely guiltless of the pollution charge—the bicycle.

I have been riding a bicycle in Central London for the last three months, and would commend its use for the following reasons:

1—In a five-mile radius of Piccadilly Circus, it is far quicker than any other form of transport. The exhilaration of bicycling past a mile of stationary cars at 5.00 p.m. is considerable.

2—It is the only way I can be certain to get from A to B in stated time.

3—I save approximately £1 a week on fares and, apart from initial capital outlay, my overheads in three months have been 53p (one inner tube).

4—It is, despite the pollution, far healthier, and the real answer to the desk-bound executive who cannot afford the time to take any exercise.

If only more people would overcome their natural inertia and try it once, they would be amazed at the advantages the bicycle has over all other forms of transport in Central London. They would then perhaps be more willing to campaign for better parking facilities (especially at main line stations) and for greater courtesy from motorists, who often fail to leave enough space on their left for a bicycle. I hope the GLC inquiry will not overlook the potential of the bicycle in helping to solve the problem of urban congestion.

Bryan Stevens.
6, Mortimer Crescent, N.W.

ART GALLERIES

CLUBS

Events

To-day

PARLIAMENTARY BUSINESS—
House of Commons: Second reading, Housing Finance Bill.

LORD MAYOR'S BANQUET, speakers include the Prime Minister and the Lord Chancellor, at the Guildhall, 7 p.m.

A list of To-day's Company Meetings can be found in the Week's Financial Diary on Page 4.

WALL'S CUTS SOME BACON PRICES

Reductions of 1½p in the price of some packs of vacuum packed bacon are announced by T. Walls and Sons (Meat and Handy Foods). Wall's 7½ oz Middle Cut and 12 oz Family Pack—available in the North of England and Scotland—are reduced to 18p and 26p respectively, and the 7½ oz Family Cut, available in London and the South of England, to 17½p.

F.T. CROSSWORD PUZZLE NO. 1,719

ACROSS

1 Provocation from Pravda? (3, 3)
4 Vocal work putting industrialist on edge (6)
8 Odds on fish producing a bit of glitter (7)
9 Be nosy about invalid taking no ridiculous punishment (7)
11 Novel type of dwelling without central heating (5, 5)
12 To keep quiet is rubbish (4)
13 The best part of being caught with lots of paper (5)
14 Kept quiet (8)
16 Heard to make fun of a wrong shoe (8)
18 Of course for racing there's a tax (5)
20 A family of like means (4)
21 Expert with brush has to stick to the drawing of horses (10)
23 So sad after months of unemployment (7)
24 Issue result of two races (7)
25 More becoming like a mechanic (6)
26 Dramatically just a sideshow (2-4)

DOWN

1 Hold off while outcast hacks up (5)
2 Bailiff's fee for sending Wood packing? (7)
3 Are hitch-hikers clumsy? (3, 6)
5 It's simple to get one in part of church (5)
6 Small gun carriage (7)
7 Stable hoax? (5, 4)
10 Strange athlete in high spirits for not taking customary route (3, 6)
13 Game to play on the hour (5, 4)
15 Impressive form of taxation (5, 4)
17 Capacity to study under canvas? On the contrary (7)
19 Noisy disapproval of appeal for corporal punishment (7)
21 Duck has to exercise like this (5)
22 Girl organising pool (5)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

TV/Radio

* Indicates programme in black and white

BBC 1

*9.38 a.m. For Schools, Colleges. *12.00 p.m. Hardy Heating Co. Ltd. 12.55 A Chance to Meet—Brigadier Sir Bernard Fergusson. *1.30 Woodentops: Watch With Mother. 1.45 News. *2.05 For Schools, Colleges. *4.10 Prospectus: Teaching of General Studies, part 1. 4.35 Adventures of Parsley. 4.40 Jackanory. 4.55 Blue Peter. 5.20 The Runaway Summer, part 2. 5.44 Magic Roundabout.

5.50 News.
6.00 London This Week.
6.20 Entertaining with Kerr.
6.45 Ask the Family.
7.05 Z Cars.
7.30 Now, Take my Wife . . . starring: Sheila Hancock, Donald Houston and Liz Edmiston.
8.00 Panorama.
9.00 Nine O'Clock News.
9.20 The Troubleshooters.
10.10 Steptoe and Son.
10.40 24 Hours including coverage of the speech by the Prime Minister at the Lord Mayor's Banquet.
*11.25 Road Sense; part 6.

All Regions as BBC 1 except at the following times:—

Wales—*1.30-1.45 p.m. Ar Lin Mam. *6.00-6.20 Wales To-day. *6.45-7.05 Heddiw. *7.30-8.00 Margaret: Margaret Williams and guests.

Scotland—*6.00-6.20 p.m. Reporting Scotland. 10.10-10.40 Castles in the Air: Hopetoun House. 11.25-11.55 Who are the Scots?. *11.55 Scottish News Headlines.

Northern Ireland — *6.00-6.20 p.m. Scene Around Six. *11.52 Northern Ireland News Headlines.

England—*6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). 11.52 Regional News Headlines.

BBC 2

11.00 a.m. Play School.
*7.10 p.m. Dressmaking: part 7.
7.30 News.
8.00 Alias Smith and Jones.
8.50 Call My Bluff.
9.20 Horizon.
10.10 Thirty-Minute Theatre.
10.40 News on 2.
10.45 Late Night Line-Up.

LONDON

10.20 a.m. and 1.40 p.m. Schools. 2.33 This Week. *3.00 Country Visit. *3.10 All About Riding. 3.40 The Adventures of Rupert Bear. *3.55 Peyton Place. 4.25 Tea Break. 4.55 Lost in Space.
5.50 News from ITN.
6.00 Today.
6.20 Crossroads.
6.40 Opportunity Knocks!
7.30 Coronation Street.
8.00 World in Action.
8.30 Lollipop Loves Mr. Mole.
9.00 The Rivals of Sherlock Holmes.
10.00 News at Ten.
10.30 The X Film: "The Skull." Starring Peter Cushing, Patrick Wymark and Christopher Lee.
12.05 a.m. Grass Roots . . . . Peter Taylor talks to Ron Bailey of the London Squatters.

All ITV Regions as London except at the following times:—

ANGLIA

*3.55 p.m. Katie Stewart Cooks. 4.20 Cartoon time. *4.25 Anglia Newsroom. 4.30 The Romper Room. 4.55 Flipper. 5.15 Freewheelers. 6.00 About Anglia. 10.30 Probe Special. 11.05 The Champions. 11.58 New Voices.

ATV MIDLANDS

3.10 p.m. Yoga for Health. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Nanny and the Professor. 4.40 Origami. 6.00 ATV To-day including To-day's M.P. 10.30 University Challenge. 11.00 All Our Yesterdays.

BORDER

3.40 p.m. Farmhouse Kitchen. *4.08 Border News Headlines. 4.10 Nanny and the Professor. 4.40 Origami. 4.55 Pippi Longstocking. 5.20 Freewheelers. *6.00 Border News and Lookaround. 6.15 University Challenge. 10.30 The Avengers. 11.25 The Odd Couple. *11.57 Border News Summary.

CHANNEL

4.05 p.m. Anita in Jumbleland. 4.20 Puffin's Birthday Greetings. 4.25 Yoga for Health. 4.50 Bush Boy. 5.15 Freewheelers. 6.00 Channel News and What's on Where. 6.15 The Channel Islands Knockout Quiz. 10.32 University Challenge. 11.03 The Avengers. 11.55 News and weather in French.

GRAMPIAN

*3.30 p.m. Grampian News Headlines. 3.33 Cartoon Time. 3.40 The Adventures of Rupert Bear. 3.55 Yoga for Health. 4.55 Land of the Giants. 6.00 Grampian News. 6.10 Junkin. 6.35 Cartoon Time. 10.30 University Challenge. *11.00 Katie Stewart Cooks. 11.25 King of the Blades. 11.45 Evening Prayers.

GRANADA

3.40 p.m. Fortitude in Adversity. 4.05 News followed by Peyton Place. 4.40 Anita in Jumbleland. *4.50 Supercar. 5.15 Freewheelers. 6.00 Newsday. 6.25 Bugs Bunny and Friends. 10.30 University Challenge. 11.00 The Winners.

HTV

3.45 p.m. Women Only. 4.15 Tinkertainment. *4.30 Robin Hood. 5.00 Sky Hawks. 5.20 Freewheelers. 6.01 Report West. 6.22 Report Wales. *10.30 Late Night Cinema: "Paths of Glory," starring Kirk Douglas.

SOUTHERN

3.10 p.m. Yoga for Health. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Houseparty. *4.23 The Mysterious Cowboy. 4.30 The Best of Lucy. 4.55 Voyage to the Bottom of the Sea. 6.00 Day by Day. 10.30 Southern Scene. *10.55 The Untouchables. 11.50 Southern News Extra.

ULSTER

4.00 p.m. Yoga for Health. *4.30 Romper Room. *4.50 Ulster News Headlines. 4.55 Adventures of the Seaspray. 5.20 Freewheelers. *6.00 UTV Reports. 6.15 Nanny and the Professor. *10.30 Monday Night with the Rev. Macheal Quinn, R.A., St. Colman's College, Newry. *10.35 Monday Movie: "Dark City," starring Charlton Heston.

TYNE TEES

2.35 p.m. Struggle for Israel. 3.05 Pied Piper. *3.10 Play with a Purpose. 3.35 Yoga for Health. 4.05 North East Newsroom. 4.10 Cooking Pricewise. 4.35 Anita in Jumbleland. 4.50 Skippy. 5.20 Freewheelers. 6.00 To-day at Six. 6.30 Love American Style. 10.30 Face the Press. 11.00 The Prisoner. 11.55 Late News Extra. 12.10 a.m. The Adequate Christ.

WESTWARD

3.55 p.m. The Gus Honeybun Show. 4.05 Anita in Jumbleland. 4.20 Westward News Headlines. 4.22 Yoga For Health. 4.50 Bushboy. 5.15 Freewheelers. *6.00 Westward Diary. *6.20 Sports Desk. 10.30 University Challenge. 10.59 Westward Late News. 11.03 The Avengers. 11.56 Faith For Life.

YORKSHIRE

2.34 p.m. Struggle For Israel. 3.10 Pied Pipers. *3.15 You and Your Child. 3.45 Yoga For Health. 4.05 Calendar News. *4.10 Katie Stewart Cooks. 4.40 Anita in Jumbleland. 4.55 Skippy. 5.20 Freewheelers. 6.00 Calendar. 6.15 Branded. *10.30 Edgar Wallace. 11.30 All Our Yesterdays.

RADIO 1 247m

Time checks, on-to-the-minute traffic reports and News summaries at 5.30 a.m., 6.00, 6.30 then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 6.00, 6.30, 7.00, 8.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.32, 8.32, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. As Radio 2. 7.00 Tony Blackburn. 9.00 Jimmy Young. 11.00 Dave Lee Travis. 1.00 p.m. Johnnie Walker. 3.02 Terry Wogan. 5.00 What's New: Noel Edmonds. 6.00-10.00 As Radio 2. Radio 1 on VHF and 247m. between 10 p.m. and 12 midnight. 10.00 Sounds of the 70s: [illegible] Harris. 12.00-2.02 a.m. As Radio 2.

RADIO 2 1,500m; VHF

News summaries at 5.30 a.m., 6.00, 6.30 (VHF and 247m.), 7.00, 7.30, 8.00, then every hour on the hour until 2.00 p.m., 3.30, 4.00, 4.30, 5.00, 5.30, 6.00, 6.30, 7.00, 8.00, 10.00 (1,500m.), 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 9.02, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. News. 5.32 Breakfast Special (8.27 Racing Bulletin). 8.55 Pause for Thought. 9.02 Pete Murray's Open House. 11.02 Morning Story. 11.15 Waggoners' Walk. 11.30 The Tony Brandon Show. 2.02 p.m. Woman's Hour. 3.02 Terry Wogan. 4.15 Waggoners' Walk. 4.31 Sports Desk. 4.33 Charlie Chester: music, your letters and stars on disc. 6.02 Album Time. 6.50 Sports Desk. 7.03 After Seven: Michael Parkinson: entertainment in words and music. 8.02 Jimmy Tarbuck. 8.30 Bill McCue says It's a Fine Thing to Sing. 9.00 Country Style: Nashville Special. Radio 2 on 1,500m. and 202m. only between 10 p.m. and 12 midnight (202m. Edinburgh, Glasgow, Dundee and Aberdeen). 10.02 Late Night Extra including Sports Desk at 10.15. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

RADIO 3 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: Weber, Mendelssohn, Mozart, Arne, Bandel, Boyce, Vivaldi, Bach, gramophone records. 9.00 News. 9.05 This Week's Composers: Smetana and Janacek on gramophone records. 9.45 Talking About Music. 10.15 Russian Music: trad arr Rimsky-Korsakov, Lyapunov, Tchaikovsky, gramophone records. 11.10 Choral Music: Gordon Crosse, Thea Musgrave, Petrassi. 11.45 Orchestral Concert: Mozart, Beethoven. 1.00 p.m. News. 1.05 BBC Lunchtime Concert: Violin and piano recital—Bach, Franck. 2.00 Showcase: Dvorak, Rachmaninov, Scriabin. 3.20 Vesuvius Ensemble: W.F.E. Bach, Haydn, Spohr. 4.20 Pied Piper. 4.40 Louis Halsey Singers: including music by Morley, Dowland, Gibbons, Stanford, Elgar, Grainger and Britten. 5.10 Organ Recital. 5.45 Bandstand. 6.15 Concert Calendar. 6.25 Programme News and Stock Market Report. 6.30-7.30 Study on 3: 6.30 Vient de paraître, part 7. Le Village Suisse. 7.00 Amici, buona sera: part 7. 7.30 Orchestral Concert: Rimsky-Korsakov, Chausson, Balakirev, gramophone records. 8.35 Haydn and Beethoven, piano music. 9.40 Interpretation on Record: folk. 10.30 The Morte D'Arthur (completed 1469-1470) by Sir Thomas Malory. 11.30 News Summary.

RADIO 4 330m; VHF

6.25 a.m. News Summary. 6.27 Farming Week. 6.45 Prayer for the Day. 6.50 Regional news, weather and preview. 7.00-8.45 Today: magazine. The News. 7.40 To-day's Papers. 7.45 Thought for the Day. 7.50 Regional news, weather and preview. 8.00 News and more of To-day. 8.40 To-day's Papers. 8.45 Travellers' Tales (BBC Sound Archives). 9.00 News. 9.05 Start the Week with Richard Baker. 9.35-10.15 For Schools. 10.15 Daily Service. 10.30-12.00 For Schools. 12.00 You and Yours. 12.25 p.m. Desert Island Discs. 12.55 Weather, preview and news. 1.00 The World at One. 1.30 The Archers. 1.45 Listen With Mother. 2.00-3.00 For Schools. 3.00 Afternoon Theatre: "The Third Man". 4.30 Story Time. 5.00 PM Reports: News magazine. 5.50 Regional news, weather and preview. 6.00 News. 6.15 The Secret Life of Kenneth Williams: Chapter 7. 6.45 The Archers. 7.00 News Desk. 7.30 My Word! 8.00 Accused in the Box: series in which Edgar Lustgarten reconstructs murder trials, part 2. 8.30 A Who's Who of Flapland: play. 9.15 The Lord Mayor's Banquet from Guildhall. 9.59 Weather. 10.00 The World To-night. 10.45 To-day in Parliament. 11.00 A Book at Bedtime. 11.15 News. 11.31 Market Trends.

Racing

Return of Gay Trip

by DARE WIGAN

THE RETURN to form of *Gay Trip*, who defeated a strong field for the Mackeson Gold Cup, was the feature of racing at Cheltenham on Saturday. *Gay Trip*, who had won the corresponding event in 1969 before triumphing in the Grand National the following March, was disappointing last season when he failed to score in seven attempts. However, on Saturday he produced a fine burst of speed on the flat to win, going away by four lengths from *Chesapeake Bay*, with *Straight Fort*, who had looked the probable winner, coming to the last fence, a length away, third.

If there was an unlucky horse in the race it was the top weight, *Royal Relief*, who was knocked over by *The Dikler* at the eighth fence when moving easily just behind the leaders. As for *The Dikler*, it is hard to know what to make of him. At no stage did he hold out any real hope of winning, and he was a beaten horse when he crashed into *Royal Relief*.

All that remains is to congratulate Fred Rimell, who was winning this valuable sponsored event for the fourth time, and who, moreover, had been reasonably confident of doing so.

The most valuable race at Nottingham to-day is the Merit three-year-old hurdle (2.00), and the chances are that it will provide the best bet of the day in *Retiema*, a colt by *Reliance II*, who won twice on the flat last season, and who was an impressive winner over the minor obstacles on his first attempt, at Doncaster on November 2.

Another attractive proposition at Nottingham to-day is *Churchlands* in the Tyne Handicap Hurdle (3.30). Admittedly, *Churchlands* has won only once, at Windsor last February, but this gelding, trained by J. Edwards at Leominster, near Hereford, ran well on several occasions last season, and his performance in finishing third behind *Flower Picker* and *Anthony Watt* at Leicester at the beginning of the month was made to look all the better when *Flower Picker* carried 12 st. 2 lbs. to success over *At A Pinch* and *Inishmaan* at Cheltenham.

Risky Miss, runner-up in a similar type of event at Worcester nine days ago, may go one better in the Lake Selling Hurdle (1.00). And *Main Hill*, who divided *Corrieghoil* and *New Member* over hurdles at the last Newbury meeting, would only have to negotiate the fences safely in order to have an outstanding chance in Division I of the Woodlands Novices Chase (1.30).

Now that W. Stephenson's stable has struck form, the Bishop Auckland trainer can be relied on to provide a steady flow of winners, and I anticipate his being on the mark at Ayr to-day when, of his six runners, *Proud Percy* in the Mauchline Handicap Chase (1.45), *Lone Wolf* in the Symington Handicap Hurdle (2.15), *Cairnsmore* in the George Lodge Memorial Hurdle "Qualifier" (2.45), *Liscartan* in the Drybridge Novices Chase (3.15) and *The Spook* in Division II of the Gatehead Novices Hurdle (3.45) all appear to hold chances.

In particular, I like the look of *The Spook*, who would be reasonably certain to win if reproducing form shown when finishing a close third to *Headsprite* and *Coley's Harvest* at Hexham at the beginning of the month.

SELECTIONS

NOTTINGHAM

1.00—Risky Miss
1.30—Main Hill*
2.00—Retieme***
2.30—Handa Island
3.00—Moonlight Escapade
3.30—Churchlands

AYR

1.15—Bold Daemon
1.45—Proud Percy
2.15—Lone Wolf
2.45—Cairnsmore
3.15—Liscartan
3.45—The Spook**

Justice urges need for duty solicitors

APPOINTMENT of "duty solicitors" at Magistrates' Courts to help defendants not legally represented is recommended to-day by a committee set up by Justice, the British section of the International Commission of Jurists, says a report that nearly 2m. cases are tried by magistrates each year and about 96 per cent. of defendants are unrepresented.

It maintains there is overwhelming evidence that the legal aid system is not working in Magistrates' Courts as intended by the Government-appointed Committee on Legal Aid in Criminal Proceedings.

The Justice report suggests that the duty solicitor system which operates in Scotland and Ontario, would enable a defendant to be represented on first court appearance "without exorbitant demands on the profession or the Exchequer."

Under the Scottish scheme, solicitors drawn from a roster are on duty every day for a week. They see all prisoners in custody before they appear in court, help them decide on their pleas, obtain information needed for a legal aid or bail application, and, if a defendant pleads guilty, make a speech in mitigation.

IAIN MACLEOD PLAQUE UNVEILED

A plaque in memory of the Chancellor of the Exchequer Iain Macleod, was unveiled at the week-end at Mr. Macleod's birthplace in Skipton, Yorks, by Sir Edward Boyle, former Education Minister.

هكذا من الأصل

St. Stephen, Walbrook

Church Music for the Sun King

by FRANK DOBBINS

Although English audiences are acquainted with the delicate keyboard miniatures of François Couperin, they have few opportunities to hear his sacred music. A vastly different face is offered by the opulent, grandiose motets performed in the chapel of Versailles for the spiritual edification of the ageing Louis XIV who, under the influence of his deeply religious mistress, Madame de Maintenon, had forsaken the wordly court ballet and the witty amusements of the salons—the diversions of his youth. Thursday's concert by the Schütz Choir and London String Players under the direction of Roger Norrington offered an impressive and reasonably authentic first modern performance of Couperin's "Salvum me fac"—along with two more recently discovered psalm-settings—by Michel Richard de la Lande.

The first of these—"Super flumina Babilonis"— was a revelation of the expressive splendour of French Baroque choral and orchestral writing, although the strings could have enhanced the majesty of the opening symphony by making more of the *saccade* rhythms. The orchestra's rhythms were again not taut enough in the Couperin motet, although the work was redeemed by some fine singing by Benjamin Luxon, whose operatic manner suited the dramatic impact of the words.

The concert came to a triumphant end with La Lande's Grand Motet "Confitebor tibi Domine" whose rich harmony and well-wrought counterpoint matched the sumptuous architecture of Wren's chapel. The audience, who had been shivering in their overcoats because of a failure in the heating system, warmed to this splendid work which, with its varied arias, ensembles and choruses, reminded them of more familiar friends—Bach and Handel—the latter especially in the grandeur of the climactic choral "Amen" which closed the work.

Although St. Stephen's provided an almost ideal setting for these motets with their large choral and solo ensembles with five-part string accompaniments supplemented by occasional woodwind obbligati its acoustic is not at all suited to chamber music. It was thus hardly surprising that Couperin's *Sonade en Quatuor*, depicting the Sultana in her grave, gay and tender moods, received a response almost as cold as the wintry wind permeating the building. To include one of the pieces written for Louis' royal chamber in this programme was an unfortunate choice and this fine piece deserved another hearing in more intimate surroundings.

Greenwich Theatre

A Liberated Woman by B. A. YOUNG

Barry Reckord's new play is soon recognisable as a fresh version of an older one called *Don't Gas the Blacks.* The main change is that the girl who is willingly seduced by the black guest at her party is now married to a black playwright instead of to a white man.

In practice, this doesn't make any difference. The play is a study in three kinds of selfishness. Gail, the girl, is obsessed with Women's Lib because she wants all the sex she can get without the attendant responsibilities. Guy, her husband professes to be a socialist, but, when it comes to the crunch, believes that "life is banging on by your teeth to all you've got." And Scott, the cuckoo in the nest, is an actor newly launched on success, whose principle is to take whatever he wants whenever he can get it.

The colour question is only used to add complication to a situation that all three seem to find more complex than I did. Mr. Reckord can write fizzing dialogue, but he is also prone to going into long literary passages in which mutual relationships are minutely scrutinised. He is good at pinning down the sort of things that go to make domestic arguments, but he carries them on too persistently. I've never seen so many instant changes of mind. One knows that in life disputes of this kind can go on all night without resolution; on the stage, they ought not to.

Frankly, I liked the play better in its last incarnation; this one gives off a whiff of midnight oil. Interest is maintained, for me, by the acting—especially by the acting of Rudolph Walker as Scott, a kind of thespian Mohammed Ali. Barry Reckord himself plays Guy, a light-coloured West Indian with a Cambridge degree—a near self-portrait, in fact. He makes him a rather dull character; you'll wonder how it is that pretty, well-off advertising copywriter Gail (Linda Marlowe) could have stuck to him for so long without busting out, when she tells us every five minutes that she thinks busting out is virtually every woman's duty.

Suzanne Billings has designed a trendy sitting room for the triangle to be extended in, and the direction by Ewan Hooper instils as much progress as possible in an excessively static piece.

Douglas Jeffrey

Barry Reckord and Linda Marlowe

SPORT: GOLF ... SOCCER ... RUGBY

Masterly World Cup win for American team

BY BEN WRIGHT

FLORIDA, Nov. 14.

THE TWO BEST golfers in the world—Jack Nicklaus and Lee Trevino, duly proved themselves just that here on the East Course of the PGA National Golf Club this afternoon by winning the 19th World Cup competition by the overwhelming margin of 12 shots over South Africa.

It was the first time the pair had played together in this event and they gave America her 11th victory.

Nicklaus had rounds of 68, 69, 63 and 71 for a total of 271, 17 under par. Trevino had scores of 75, 69, 71 and 69 to total 284, four under par.

South Africa's Gary Player had scores of 69, 67, 71 and 71 for a total of 278, 10 under par, and this gave him second place to Nicklaus in the International Trophy, the individual award.

His team-mate Harold Henning had rounds of 71, 71, 72 and 75 for a total of 289, so the Americans won by 555 shots to 567. In third place on 569 came the New Zealanders, thanks in no small part to the efforts of John Lister in finishing fourth in the International Trophy.

Next came Argentina on 575 thanks to Roberto de Vicenzo, who finished third to Nicklaus with the remarkable total for a grandfather of 281. De Vicenzo has such a tremendous record in this event—he has won the individual award twice—he has truly proved himself a golfer for all continents and all seasons.

Trevino was fifth in the individual, and in joint sixth place came wonderful Mr. Lu and our own Brian Huggett, of Wales, who covered himself with glory with a final round of 68 to-day for a total of 285.

The second British individual was Scotsman Ronnie Shade on 289, the third Tony Jacklin of England on 290. Next came his partner Peter Oosterhuis on 292, then Irishman Christy O'Connor on 296. Craig Defoy of Wales came next on 300, Bernard Gallacher of Scotland took 306 shots and Ulsterman Hugh Jackson 311.

This meant that England finished joint sixth on 582 with the Philippines, having been beaten by one stroke by Korea, of all indignities.

Wales on 585 finished 10 shots in front of Scotland, while Ireland finished rather disgracefully on 607, well down the list, eclipsed by many far less significant golfing nations.

The Americans started the day with a lead of six shots, and although Nicklaus was not in the commanding form that gave him his record-shattering third round of 63 yesterday he and a much-improved Trevino were always going well enough to give their only rivals, the South Africans little chance of causing a sensational upset.

In fact the South Africans did get back to only five shots behind the Americans with nine holes to play when Trevino took five at the ninth, but Trevino made amends by storming home in 33 shots.

Nicklaus's 36—even par—was one better than Player and three better than Henning, so in truth the South Africans finished as tiredly and dejectedly as they had every right to do.

What was most refreshing about the American team was the mutual respect between their two great golfers that was as obvious as it was delightful to watch.

Nicklaus and Trevino came as near to making golf a team game as anything I have ever seen, with the possible exception of 1968, when the chirpy Trevino was paired with veteran Julius Boros.

But this team work is an essential part of an admirable competition, as South Africa have proved. Player and Henning have teamed up so well that they have never finished out of the first four.

South Africa's last chance on the run-in disappeared at the 13th hole, where Player missed the green to the right, and Trevino holed a sizeable putt for a birdie to finally close the door on the courageous challengers.

With Nicklaus at the top of his form there is no one on earth to approach him. This week was one of those rare occasions when his putting stroke was as smooth as it was devastating.

Trevino had looked a tired man, but he still had sufficient pride to out-score his good friend and arch-rival, Nicklaus, by two shots to-day.

The English effort was desperately disappointing, and our men finished very stale and out of sorts. Jacklin is hopelessly inconsistent at the moment, and still badly needs to sort out a workable putting stroke if he is to succeed in America next season.

But his second round of 67 was a gem, as was Oosterhuis's first round of 69—his first in World Cup competition. He, too, was inconsistent, but he has had a demanding time of late with his travels.

No praise is too high for the "toy bulldog" Huggett, who is always professional to his stubby fingertips, and came home in 33 shots this afternoon including a fabulous eagle at the 12th hole.

Nor can Shade's effort go without comment, for he has had an unhappy season. He must be proud at finishing in front of Jacklin, and in getting a share of 10th place acquitted himself magnificently.

Spare a thought for the Romanians. Their two team members strayed out from behind the "Iron Curtain" to take no fewer than 736 shots and finish 160 over par.

But the old Olympic saying that it is not winning, but taking part that matters, or words to that effect, are equally true at this wonderful international gathering.

Coliseum

The Tales of Hoffmann

by ELIZABETH FORBES

The version of Offenbach's *Tales of Hoffmann* prepared by Edmund Tracey and Colin Graham for the Sadler's Wells production was fully described and discussed by Andrew Porter when it was performed for the first time in August 1970. Mostly it works very well, spreading the music equally over the three acts, prologue and epilogue without too much padding. The revival at the Coliseum on Thursday was newly cast in most of the main roles and, as a result, the emphasis of the performance was subtly altered.

The dominant personality on stage was without the slightest shadow of doubt Norman Bailey, who invested his fourfold incarnation as Hoffmann's evil genius with all the authority we have come to expect from this fine artist. Haughty and proud as Lindorf, at once frightening and funny as Coppelius, Mr. Bailey really came into his own as Dr. Miracle, presenting him as a smooth, sinister villain, whose surface plausibility did not hide the devilishness beneath. The music seems to lie perfectly for his voice, and it was all the more disappointing therefore in the third act to find Dapertutto shorn of his "Scintille diamant."

Josephine Barstow was the new personification of Hoffmann's three loves, and their embodiment, the opera singer Stella. She mimed the doll Olympia splendidly—the voice issuing from Spalanzani's hi-fi as Sandra Dugdale's—and was utterly credible as the consumptive Antonia, singing with just the right feverish intensity. Her Giulietta I thought a bit too vulgar to have enslaved Hoffmann so utterly. Hoffmann himself was sung by David Hillman, whose moody romantic poet was also most convincing dramatically. If he does not have quite the heroic timbre the part ideally calls for, his musicianly phrasing and excellent diction were compensation enough.

Shirley Chapman, thoroughly at home in trouser roles, was a benevolent Nicklaus and Muse, alert to all the dangers threatening Hoffmann. John Fryatt gave a virtuoso performance as Spalanzani, and John Delaney was amusing as Cochenille and Franz, if not quite evil enough as Pitichinaccio. Sheila Rex made an air-borne appearance as the spirit of Antonia's mother, launching into the famous trio with great gusto. Robert Lloyd could not do much with the conventional figure of Crespel, but managed to make him thoroughly sympathetic.

The work needs a very strong conductor to give it the unity it organically lacks, and David Lloyd-Jones provided just the firm, but not too heavy, hand necessary. The orchestral playing was fervent without excess, and the chorus, especially the students in the prologue, also showed a proper zeal. Colin Graham's production and David Collis's sets are perfectly integrated—you either like them both or dislike them both. Personally I find them very congenial, and well adapted to the mixture of romanticism and comedy in the score.

Elizabeth Hall

Kars's Debussy by DOMINIC GILL

Jean-Rodolphe Kars's recital of the complete set of Debussy preludes on Thursday was a powerful disappointment. On past form, I had expected more from this very talented young French pianist: something of strong character, subtly flavoured, exuberant and refined. What he gave us was very different: pale, anaemic Debussy without energy or sinew—prissy Debussy, with all the colours washed out, that lacked humour, high spirits or heart.

Kars makes a beautiful sound on the piano; he can balance layers of counterpoint exquisitely, make the inner voices of a single chord sing. His Debussy is also quite without "romantic" mannerism, nicely purged of gush and sentiment. This should be refreshing: but Kars takes things much further. For him, playing Debussy seems to mean cleansing Debussy of expressive device, dramatic nuance, sensuous gesture: sponging up the sound and squeezing it out into a little rose-pattern teacup, to be offered, little finger politely raised. You may call it elegant, sensitive. And at its best, it does result in an attractively dry, simple—and, yes, beautiful—delivery: pretty sounds, done up with a bow. But at its worst, it offers only a pale shadow of the real thing.

His "Danseuses de Delphe"—as his "Fille aux cheveux de lin"—I rather liked: wisps blown about in the lightest of breezes. And those mournful glances at the "Terrace," that faint stirring of the "Feuilles mortes," were even agreeably surprising, could have been excused—even admired—in another context. But Kars's context ignored every one of the "brusques oppositions d'extreme violence" of "puerta del Vino"; and all of the surges of "Bruyères"—their places taken by little stallings and dinky diminuendos. It ignored the force of "Le Vent dans la plaine," the joy (and puckish mystery) of the "Serenade," the very *intensity* of the muffled Steps in the snow. And it continued to ignore. The last thing one wants to hear from any pianist—let alone as young and as promising a pianist as Kars—is pastiche. Yet he should at least listen to Gieseking, or Rubenstein, or Richter: listen, and realise that if he is right, then they are wrong.

Virtuoso Bell rings up a win

BY TREVOR BAILEY

MANCHESTER City, who are striving hard to win the championship, were obviously well pleased to come away with two points from Highbury, especially as they were 1—0 down only 15 minutes from the end.

Their record against the Arsenal in recent years has been far from impressive, and the match failed to live up to expectations, only coming alive in the final stages.

This would have been easy to understand if it had been a grim defensive struggle with both sets of forwards firmly held. But the sad truth is that the occasion appeared to be too much for most of the contestants.

The result was that the game was littered with passes that went astray, elementary blunders, and much of the football was so sub-standard it was hard to believe these two teams are among the best in the country.

City just about deserved their victory by two goals to one, if only because their forwards showed more imagination and did not squander their chances quite so recklessly as their opponents.

In addition, they had in Colin Bell a quite superb co-ordinator, who refused to be depressed by the mediocrity which surrounded him.

A typical example of his virtuosity came in the second half, when his timely intervention in his own penalty area relieved a nasty situation, while his thoughtful clearance began a six-pass penetration move which ended with him shooting just wide of target.

It was justice that Bell should have had the satisfaction of scoring the winning goal five minutes from time when he rose to flick a centre from the left wing to Lee, bearing in from the right, and then proceeded to stab home a quick cross along the ground.

Manchester has a skilful and inventive attack while in Lee, Summerbee and Bell they have three forwards able to create scoring opportunities through their individual skill of being able to dribble past defenders in a confined space.

But their defence was far from sound on Saturday, when, with a little more steadiness up front, Arsenal could, and should, have scored on at least three occasions.

Arsenal can be accused of being rather short of creative ideas, despite the presence of Graham and George in their middle line. But they are particularly adept at exploiting mistakes by the opposition, of which there were so many that their failure against the Northerners becomes all the more surprising.

Even their goal, which came comparatively late in the second-half, contained more than an element of luck. A corner was headed clear to McLintock who proceeded to chip it back for their young talented full back Nelson to run through and score as Manchester City stood appealing ineffectually for offside.

The equaliser, which was beautifully taken by the tall gangling Mellor, stemmed from a misheader by McLintock, but its power and precision provided an object lesson for the Arsenal forwards.

Elizabeth Hall

Bach and Rameau

by JEREMY NOBLE

The high French style of the 18th century, whether in the music of a native Frenchman like Rameau or that of a chameleon genius like Bach, is one of the hardest of all for modern performers to master. Its formalised combination of strength and grace, silk and steel, does not come naturally, but has to be worked at and for. John Eliot Gardiner's concert with the Monteverdi Choir and Orchestra at the Elizabeth Hall on Saturday showed just how rewarding it can be when it is achieved.

Mr. Gardiner, in spite of his ensemble's name, is far from being a mere specialist in Monteverdi. In fact, to tell the truth, a nervous tension of his beat seems better suited to French baroque music than Italian. What struck one above all in his handling of the dances and airs that make up one of the *entrées* of the opera-ballet *Les Fêtes d'Hébé* (1739) was precisely its flexibility — the readiness to mould rhythm to the inflections of melody and harmony without ever losing the underlying pulse. Time and again one's toe was set tapping by the infectious swing of one of these sophisticatedly simple-seeming tunes.

Jill Gomez and Philip Langridge (though Mr. Langridge needs to guard against open vowel sounds in French) brought the same high stylistic polish to the solo parts of Aegle and Mercury in this allegorical divertissement, savouring their *agréments* with elegant sensuousness. One was left wondering why on earth Glyndebourne does not mount a Rameau opera—though it would obviously have to be one of the more dramatic ones, such as *Dardanus* or *Hippolyte et Aricie*.

Rameau, in spite of the efforts of such dedicated enthusiasts as Anthony Lewis, is still one of the greatest unknowns in our potential operatic repertory. Dramatically, of course, he is less direct, more artificial, than such Italian predecessors as Monteverdi, but if modern audiences can learn to accept the *opera seria* conventions of Handel or the young Mozart, they can make an analogous effort of the imagination for Rameau. The strength and subtlety of his harmony, his endless melodic fertility, are such that he can share a concert with Bach and happily survive the comparison; only the sense of musical architecture has a shorter span, and that is at least partly compensated by the extraordinary richness of his orchestration.

This came to the fore earlier in the programme, through the juxtaposition of a number of operatic excerpts with Rameau's own solo harpsichord versions of them, played with exemplary stylishness by George Malcolm. It was like being shown alternately oil paintings and engravings of the same subject: the black and white of the harpsichord brought out line and rhythm, which then suddenly took on new dimensions of sensuous attraction in Rameau's orchestration. Mr. Gardiner, it must be said, is particularly fortunate in his players: both the wind, including the flautist William Bennett (who had earlier given a very elegant account of Bach's B minor Suite), and the strings, led by Sylvia Cleaver, phrase with an intensity that does him credit.

"La Cupis" as played by Mr. Bennett, Miss Cleaver and Jennifer Ward Clarke, was sheer joy; but the orchestral version, a "tender air for the Muses" from *Le Temple de la Gloire*, suddenly pointed forward to Gluck's blessed spirits and to Berlioz beyond. No space to mention Mr. Malcolm's playing of Bach's B minor partita (the piece that forms a French counterpart in the *Clavierübung* to the Italian Concerto) beyond saying that he brought to it the same grace and agility as he did later to Terpsichore's tambourine.

Cinemas are continued on page 35

Cole tormented, Coventry tamed

BY PETER ROBBINS

ANYONE who had seen Cambridge savage Northampton a fortnight ago and then seen Coventry do the same to Cambridge days later could be forgiven for logically thinking that Coventry would beat Northampton. Logic indicated the win, and statistics pointed to a heavy Northampton defeat.

Thankfully rugby is not always a logical game and statistics are only relevant in their immediate context. Illogically Northampton won 12-9 and honestly deserved to do so.

Coventry, against the breeze, found themselves nine points down in 10 minutes thanks to some fine high kicking from Page, the Northampton scrum half, who put Coventry full-back Cole on the rack and kept him there.

Northampton's tactics were obvious but nevertheless effective. They had decided to make Cole run to keep the ball deep in Coventry's half and so build up a terrific psychological pressure.

This they did magnificently and Page's kicking into the box, diagonally, along the touch lines was extraordinary and reduced the Coventry defence to tatters very early on. This unnerving bombardment scarred Coventry and only late in the game did the wound heal.

Any side beating Coventry has first to beat a redoubtable pack and this Northampton did comprehensibly. Ironically, it was Lacey, an ex-Coventry man, who made a very great contribution, controlling the line out with skilful tapping to Page.

Duffy the tight head did a lot of work in every phase and the back row of Osborne, Landon and Pearcey worked much more as a trio.

Where Northampton held the real initiative was in the leadership of Powell who set a fine example in his own play and allowed his backs to run in the second half. They only ran four or five times but each time almost scored.

In contrast, Fairbrother for Coventry displayed incredible rigidity of thought and apart from his scrummaging made little personal impact on the game.

At the same time as Coventry were losing the lineouts they lost their own control at the scrum and some of the heeling was so ragged that possession was a positive disadvantage.

Where was that surge in the tight, only visible in the last quarter of an hour? Where was that mysterious slipping of the ball between the forwards?

True late in the game Coventry got on top and the old competitive spirit was there but by then it was desperation. Things began to go wrong in good situations.

The other question Coventry will have to consider is that of George Cole. There is something cruel in seeing a great player so tormented.

After four minutes Lacey tapped to Page and Wright put the ball on to Cole in awful isolation. Northampton's back row plunged in and from the scrum Page dropped a goal.

Minutes later Landon scored after a repeat build-up. Wright converted and Northampton had got off to a flying start, the value of which could only be realised later.

On half time, Wright tackled Webb midfield and Webb was penalised for Wright to kick the goal.

Standing 0-12 down at half-time, Coventry had to get back in the game very quickly, but Cole missed two penalties, and it was Northampton with Duffy, Osborne and Johnson who attacked more effectively.

Coventry looked to Webb as their saviour, but not even he could save the situation. After 25 minutes the referee rightly awarded a penalty try when Webb was obstructed. Cole converted and then dropped a goal from a loose clearance from Moffatt.

Fall in U.K. use of copper, lead and zinc

FINANCIAL TIMES REPORTER

U.K. CONSUMPTION of copper, lead and zinc during the first nine months of 1971 was below the same oeriod last year, according to figures released by the World Bureau of Metal Statistics.

Copper consumption in all forms, at 463,510 metric tons, was 5.7 per cent. down. Despite a rise in acrap copper of 3.1 per cent. to 88,613 tons, refined copper slipped back 7.6 per cent. to 374,897 tons.

Prodnction of refined copper was 17,953 tons during September following the usual seasonal rise from the August level, but was still 15.1 per cent. below production a year earlier. Ont pnt for the full three quarters was 137,396 tons—11.3 per cent. below January-September production in 1970.

Refined copper imports for the first nine months of 1971 declined 8.8 per cent. to 274,837 tons. In September 10,393 tous came from Zambia, 5,482 tons from Canada and 3,815 tons from Chile.

Exports down

Exports, including re-exports, reached 1,406 tons in September bringing the nine-month total to 16.819 tons—51.9 per cent. down on the same period last year.

London Metal Exchange stocks of refined copper increased from 31,400 tons at the end of August to 35,475 tons at the end of September, but stocks reported by consumers dropped 7,764 tons to 19,855 tons.

U.K. zinc consumption, at 30,219 tons in the January to September period, was 1.3 per cent down. Prodnction of slab zinc fell back 13.3 per cent. to 97,000 tons, but imports rose 2.7 per cent. to 124,497 tons. Zinc stocks reported by consumers increased by 246 tous from the end of August to 22,647 tons at the end of September.

Lead consumption aased 1.4 per cent. to 254.125 tons in the first nine months of 1971. Output of refined soft lead was 7.1 per cent. down at 199,288 tons.

Refined lead imports, at 81,877 tons, were marginally higher than in the first three quarters of 1970. Australia remained the principal supplier with 39,680 tous, followed by Canada with 35,985 tons.

Plastic sack demand in EEC rising

BY DAVID WALKER

PLASTIC will account for 29 per ceot. of the sack market in the European Economic Community by 1975 against 20 per cent. today. according to a report published at the weekend by Business Intelligence Services.

The number of sacks sold in the EEC last year is put by the report at 4,400m. Of those, it says, 75 per cent. were paper and 20 per cent. plastic, while jute had but a small and declining share.

"Penetration of plastic has now reached a very significant level and is posing a serious threat to converters of paper sacks," the report comments.

Fertiliser market

It names the fertiliser markat as a particularly big plastic sack user, accounting for just over 48 per cent. of all plastic sacks bought. Chemical products containers and refuse sacks make up a further 30 per cent.

The overall growth rate for plastic sacks in the past 10 years has been 35 per cent. annually. Paper usage has been advancing by 1.5 per cent. a year but, since 1965, its market share has fallen from 87 per cent.

Over the same period, the price of sack kraft rose by up to 30 per cent., while the cost of polymer for plastic sacks dropped by an average of 6 or 7 per cent. each year. Jute sack sales went down by 4 per cent. a year.

The report issues a warning that sacks of all kinds face "a decisive threat" to their growth through the increase in bulk and semi-bulk transport methods. In tonnage terms, it suggests, the overall EEC market wil, in consequence, remain static, even though the numbers used should reach 4,900m. by 1975.

Cautious optimism on SALT

By Paul Lendvai

VIENNA, Nov. 14.

THE sixth round of the Soviet-American Strategic Arms Limitations Talks (SALT) which began almost exactly two years ago, will be formally opened here tomorrow in an atmosphere of cautious optimism.

On arrival here the chiefs of both delegations, the Soviet Deputy Foreign Minister, Mr. Semenov, and U.S. Ambassador, Mr. Gerald Smith, expressed their determination "to work constructively" and to bring the talks to a successful conclusion.

Both delegation leaders referred to the announcement of May 20 setting the goal of an agreement for the limitation of the deployment of Anti-Ballistic Missile systems, together with certain measures with respect to this limitation of strategic offensive weapons.

Conference sources here stressed that the last SALT session, which recessed in Helsinki on September 24, ended on "a positive note" and added that the "prospects are not bad." It is, however, generally assumed that the original goal to achieve an agreement before the end of this year is unlikely.

After a brief Christmas recess tha talks are likely to continue in Vienna. A possible accord is now expected to be achieved by next spring on the eve of President Nixon's projected visit to Moscow in May, 1972.

While the Soviet side is pressing for a limitation of the defensive Anti-Ballistic Missile System, the Americans are bound to insist on limitation of offensive weapons—primarily on the giant SS-9 missiles, which pose an increasingly serious threat to the surivability of their ICBMs. Despite two years of SALT negotiations, the Soviet Union has been surging ahead in the deployment of powerful new missilea.

Cadbury—Schweppes urges working party on packaging

BY DAVID WALKER

SUGGESTIONS for a Government-backed working party to examine the problems caused by non-returnable packaging have been put to the Department of the Environment by Cadbury-Schweppes.

The move follows a meeting between Lord Watkinson, chairman of the food and drinks group, and representatives of Friends of the Earth, the anti-pollution body which selected Cadbury-Schweppes as the prime target in its fight against non-returnable bottles.

In recent weeks, thousands of empty soft-drinks bottles have been dumped at Cadbury-Schweppes' premises at the instigation of Friends of the Earth in protest at the gradual move away from the bottle deposit system.

The problem is already getting attention at the D of E following comments on it in a report from a working party on refuse disposal. Mr. Peter Walker, Secretary for the Environment, has in the past warned manufacturers against proliferation of packaging.

Yesterday Cadbury-Schweppes said that the meeting between Lord Watkinson and Friends of the Earth had resulted in "a certain identity of view." Both sides felt that the Department should be asked to set up a working party tn investigate the packaging problem.

Tha company reiterated previous refusals to comment on the controversy surrounding non-returnable bottles. "We hava always made it clear that that should ba looked at in the context of all non-returnabla packaging," it declared.

"Most containers—glass, plastic, paper, whatever you like—are non-returnable anyhow. We have always said that if anyone wanted to discuss non-returnable packaging overall wa would be delighted."

Although Cadbury-Schweppes is clearly hopeful that other companies would want to participate in any body set up, it is not thought to favour an organisation for the industry such as has been established in the U.S.

In many quarters in Britain the American move is regarded as little more than a public relations exercise with minimal effectiveness.

At the same time, there is concern at the ambivalent public attitude to packaging here. It is being claimed that general demand is often responsible to some extent for just those things which are afterwards condemned for causing environmental problems.

Cadbury-Schweppes' approach to the DoE so far has been relatively informal and more in the way of a sounding-out rather than putting of firm proposals. The Department said last night that any suggestions the company might make would be looked into.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interims or finals. The subdivision shown below is based mainly on last year's time-table.

TO-DAY

COMPANY MEETINGS—
AB Electronic Holdings, Cardiff, 12.
*British Steel Piling, 10, Haymarket, W., 12.
Sandhurst Marketing, Crawley, 10.30.
Tea Corporation, Sevenoaks, 12.30.
* Extra-ordinary meeting.

BOARD MEETINGS—
Finals—
Allied London Properties
Inl. Securities
Moss Engineering
Nottingham Patent Brick
Thornbers
United Industrial
Wright's Biscuits
Interims—
Amal. Power Engineering
BET Omnibus
Cater Ryder
Coral (J.)
KMPH
Massey (E. & S.)
Rexmore
Sosomana

DIVIDEND & INTEREST PAYMENTS—
Aberdeen Corpn. 3 pc Red. stk. 1983-85 1½ pc.
Achabam Tea Corpn., 5p.
Alliance Invest., Pref.
Altifund, Inc. Shs. 2.5p, Cap. Shs., 0.125p
Ashbourne Invests. deb. stk., 4 pc.
Assoc. Paper Mills Ln. stk., 3 pc.
Baird (Hugh) Pref., 2¼ pc.
Barclays Bank Ln. stk., 4½ pc.
Beattie (James) deb. stk., 3½ pc.
Berwick Timpo, 2.5p.
Birmingham and District Inv. deb. stk., 2¼ pc.
Borhat Tea, 1.5p.
Bournemouth Corpn. 7¾ pc Red. stk. 1977, 3⅞ pc.
Brewery and Commercial Invest. Trust Prefd. Ord., 2¼ pc.
Bristol 5¼ pc Red. 1974-75 2⅝ pc. 7 pc 1974-77 3½ pc.
British Assets deb. stks., 2, 2½ pc.
British Electric 3½ pc Gtd. 1978-79, 1¾ pc.
British Oxygen Tonn. deb. stks., 2⅞ and 3⅞ pc.
British Rollmakers Corpn., 1.125p.
British Sidac Ln. stks., 2⅞ pc.
Bort Bolton deb. stk., 3⅞ pc.
Cardiff 7 pc Red. 1979-82, 3½ pc.
Clydesdale Inv. deb. stks., 2½ pc.
Collins (William) deb. stk., 2 pc.
Croydon Corpn. 6¾ pc Red. stk. 1978-81, 3⅜ pc.
EMI Ln. stk., 3⅞ pc.
Empire Stores (Bradford), 1.875p.
Esso Petroleum deb. stk., 3 pc.
Federation of Malaya 3 pc stk. 1974-78, 1½ pc.
General and Commercial Inv. deb. stk., 2 pc.
Gloucestershire County Council 9¼ pc Red. stk. 1979-81, 4⅝ pc.
Goodyear Tyre and Rubber deb. stk., 2⅞ pc.
Great Universal Stores Ord. and "A." 5.625p.
Hambros Inv. Trust Pref., 2½ pc.
Henderson (P. C.) Ord. and "A." 0.9p.
Honda Motor, Yen 4.50.
Industrial and Commercial Finance Ln. stk., 5 pc.
Industrial and General Trust deb. stk., 1¾ pc.
International Holdings Corpn., 10 cts.
Investment Trust Corpn. Pref., 2¼ pc.
Kenya 4½ pc stk. 1971-78, 2¼ pc.
Leeds 7½ pc Red. 1977-78, 3¾ pc.
Liberty and Co. Ord. and Non-V., 7.5p.
Liverpool Corpn. 9¾ pc stk. 1980-84, 4⅞ pc.
London and Manchester Assurance, 2p.
London County 6½ pc 1971-72, 3¼ pc.
Maidstone 6¾ pc Red. stk. 1979-81, 3⅜ pc.
Mallinson (George), 0.825p.
Malton Invest., 3p.
Mauritius 4⅞ pc stk. 1972-77, 2⅜ pc.
Metal Box Ln. stk., 3 pc.
Midi Railway Sterling Bonds, 2 pc.
Nash (William) Pref., 3¼ pc.
New Zealand Government 6 pc 1972, 3 pc.
Newcastle upon Tyne 5¼ pc Consd. Red. stk. 1975-77, 2⅝ pc. 5 pc Red. stk. 1970-74, 2½ pc.
Northern Ireland 7 pc Exch. stk. 1982-84, 3½ pc.
Peninsular and Oriental Steam Navigation deb. stk., 2⅝ pc.
Poole 5½ pc Red. 1974-76, 2¾ pc.
Portsmouth Corpn. 6¾ pc Red. stk. 1973, 3⅜ pc.
Scottish American Investment, Pref. 2 pc, deb. stk. 1¾ pc.
Scottish Eastern Invests. deb. stk., 2¼ pc.
Scottish Northern Invest. deb. stks., 1½, 2, 2½, 2¾ pc.
Scottish United Investors deb. stk., 2⅝ pc.
Slater Walker Secs. (S.A.), 10 cts.
Staffordshire Potteries Water Board 7¼ pc Red. stk. 1973, 3⅝ pc.
Standard Life Assurance Perp. st., 2½ pc.
Sunderland Corpn. 5½ pc Red. stk. 1979-1981, 2¾ pc.
Swansea Corpn. 5¼ pc stk. 1973-74 3⅞ pc, 9¼ pc 1978-89 4⅝ pc.
Transatlantic and General Invest., 1p.
Trinidad, 3 pc stk. 1967-71 1½ pc. 4 pc stk. 1973-76 2 pc.
United Corps., Class "A" 37 cts., Class "B" 12 cts., 5 pc Prefd. 37 cts.
Welch Margetson, Prefs., 2¾ and 3½ pc.
West Hertfordshire Main Drainage 9¼ Red. 1981-83, £4.4487.

TO-MORROW

COMPANY MEETINGS—
Apex Props., 243, Pavilion Road, S.W., 12.
Centrovincial Ests., Winchester House, E.C., 3.
Lindsey Kesteven Fertilisers, Saxilby, 12.
London and St. Lawrence Invst. Co., Regis House, E.C., 11.
Rediffusion Television, Stratton House, W., 10.30.
Reed and Mallik, Milford Manor, 12.
Trident TV, Hyde Park Hotel, S.W., 12.

BOARD MEETINGS—
Finals—
Beaverbrook Newspapers
Chown Secs.
Flather Halesowen
Lister & Co.
Lloyds & Scottish
Malayan Tin
Southern Malayan Tin
Stockholders Inv. Trust
Interims—
Arbuthnot Latham
British Bank of Commerce
Brunning Group
C.H.A. Invests.
Evans of Leeds
Heath (C. E.)
Kennedy (Allan)
Kennedy Smale
Land Securities Inv. Trust
Lewston Developments
Sangers
Stanhope General Investment
Swan Hunter

DIVIDEND & INTEREST PAYMENTS—
A.B. Electronic Components, 2.20p.
Allen Harvey and Ross, 15p. Do. Ptg. Prefd. Ord., 3p.
Alliance Prop. Hldgs., 1.5p.
Apex Props., 1.8p.
Centrovincial Ests., 1.25p.
Chase Manhattan Bank, 50 cts.
Dorada Hldgs., 2.25p.
Ellis and McHardy, 5p.
Ireland (Ernest), 1p.
Neill (James) Hldgs., 2.25p.
Sandhurst Marketing, 1.5p.
Winn Inds., 1.2p.

WEDNESDAY NOVEMBER 17

COMPANY MEETINGS—
Bishop's Stores, Ruislip, 3.
Change Wares, Winchester House, E.C., 12.
Homfray, Halifax, 12.
Isa Sheel Tea, 37, Mincing Lane, E.C., 12.
Longai Valley Tea, 37, Mincing Lane, E.C., 12.15.
Morlimao Pegoh, 19, Leadenhall Street, E.C., 12.
Orbit Hldgs., Gt. Eastern Hotel, E.C., 11.45.

BOARD MEETINGS—
Finals—
Assam Dooars.
De Beers Industrial Corpn.
Sagga Rubber.
Tonpkah Rubber.
Yorks. and Lancs. Investment Trust.
Interims—
Bazaloni.
Caithness Inds.
Harcros Inv. Trust.
Humphries Holdings.
MK Electric.
Ropner.
Smith (W. H.).
Trafalgar House Investments.
Wedgwood.
Young and Co.'s Brewery.

DIVIDEND & INTEREST PAYMENTS—
Bebington Corp. 8⅛ pc Bds. 1971. £4.1961.
Birmingham Stock Exchange Buildings 'A' Shrs., 7p.
Bucks. Water Board 8⅛ pc Bds. 1971. £4.1981.
Change Wares, 2.5p.
Chesterfield 8⅛ pc Bds. 1971. £4.1961.
Commercial Union Assurance, 5.5p.
Dudley 8⅛ pc Bds. 1971. £4.1961.
Dundee 8⅛ pc Bds. 1971. £4.1961.
Dunster (John J.), 0.875p.
Isa Sheel Tea, 10p.
Lambeth 8⅛ pc Bds. 1971. £4.1981.
Liverpool Corp. 4¾ pc red. stk. 1970-74. 2⅜ pc.
Longai Valley Tea 'A' Pref., 39p.
Morris and Blakey Wallpapers Ord. and 'A', 2p.
N.M.A. Co. of New Zealand, 2.125p.
Neath 8⅛ pc Bds. 1971. £4.1981.
Pembrokeshire Water Board 8⅛ pc Bds., £4.1981.
Rediffusion Television (Non-Vot.) Ptg. Pref. Ord., 2p.
Rentokil, 0.9p.
Rugby 8⅛ Bds. 1971. £4.1961.
Shipley Urban District Council 8⅛ pc Bds., £4.47.
Sperry Rand Corp., 15 cts.
Stockton-on-Tees 5¾ pc red. stk. 1974-75. 2⅞ pc.
Sunderland Corp. 8⅛ Bds. 1971. £4.1961.
Treasury 9 pc stk. 1994, 4½ pc.
Warmley 8⅛ pc red. stk., £4.1961.
West Bromwich 8⅛ pc red. stk., £4.1961.
West Pennine Water Board 8⅛ pc Bds. red., £4.1981.

THURSDAY, NOVEMBER 18

COMPANY MEETINGS—
Brooks Ventilation Units, Croydon, 12.
Charles (David), Birmingham, 12.
French (Thomas), Manchester, 12.30.
Hamilton Leasing, Great Eastern Hotel, E.C. 12.
Kirkstall Forge Engineering, Leeds, 12.15.
Ladbroke Group, Winchester House, E.C., 11.30.
Long and Hambly, Winchester House, E.C., 11.
Northern Transvaal Lands, 62, London Wall, E.C., 12.
Pressac, Nottingham, 12.
Scottish Cities Investment Trust, Winchester House, E.C., 12.
South West Africa Co., 49, Moorgate, E.C., 12.

BOARD MEETINGS—
Finals—
National and Commercial Banking.
Interims—
Associated Newspapers.
Bradford (Rbt.).
British Lion.
Brown Shipley.
Coats Patons.
Daltons Weekly.
Falkland Islands Inv. Trust.
Flight Refuelling.
Grendon Securities.
Kayser Bondor.
King and Shaxson.
Lloyd (F. H.).
Magnolia Manufacturing.
Minster Assets.
1928 Investment Trust.
Sealed Motor.
Shellabear Price.
Wheatsheaf Dist.

DIVIDEND & INTEREST PAYMENTS—
Amalgamated Distilled Products, 0.5p.
Bishop's Stores Ord. and "A." 1.375p.
Calcutta Electric Supply, 5p.
Eucalyptus Pulp Mills, 8p.
Firmin and Sons, 1.875p.
French (Thomas), 5.875p.
Hiltons Footwear, 2.5p.
Jacobs (John I.), 1.4p.
Long and Hambly, 1.8333p.
Martin Walter Group, 2p.
Orbit Holdings, 2.5p.
Prestwich Parker, 15p.
Prudential Assurance, 1.3p.
Ready Mixed Concrete, 2.5625p.
Scottish Cities Invests. Ord. and "A." 6.5p.
Shipping Industrial Holdings, 2.75p.
Somic, 1p.
Spirax-Sarco Engineering, 1.85p.
Staffordshire County Council 9¼ pc Red. stk. 1976, 4⅝ pc.
Trinidad Canadian Oils, 1.875p.
Wimbledon Stadium Prefd. Ord. stk., 2.5p. Defd. stk. 1.5p.
Woodend (Kelani Valley Ceylon) Rubber and Tea, 0.25p.

FRIDAY, NOVEMBER 19

COMPANY MEETINGS—
Heron Holdings, Connaught Rooms, W.C., 12.
Highland Distilleries, Glasgow, 12.
Leisure and General Holdings, Chester, 12.
Linread, Birmingham, 12.
Macallan-Glenlivet, Craigellachie, 11.30.
Howard Ellva, 57, Queen Street, E.C., 11.
Wades Departmental Stores, Sheffield, 12.

BOARD MEETINGS—
Finals—
Berry Trust.
Hull Brewery.
Northern Industrial Improvement Trust.
Interims—
London and Lennox Investment Trust.
Metal Box.
Mint Birmingham.
Real Estate Corpn. of S.A.

DIVIDEND & INTEREST PAYMENTS—
Aldridge-Brownhills U.D.C. 8¾ pc Bonds 24/5/72, 3⅜ pc.
Ashford 8¾ pc Bonds 24/5/72, 3⅜ pc.
BSR, 3.25p.
Bath 8¾ pc Bonds 24/5/72, 3⅜ pc.
Beatson Clark, 2p.
British Insulated Callender's Cables, 2.5p.
Brooks Ventilation, 1.8p.
Bucks Water Board 6¾ pc Bonds Red. 24/5/72, 3⅜ pc.
Ceylon and Indian Planters Holdings, 3 pc.
Churchill and Sim, 1.25p.
Clarke Chapman-John Thompson, 2p.
Clarke (T.), 0.25p.
Clay Cross, 2p.
Commodore Securities, 0.5p.
Eastern and General Holdings, 0.5p.
Edinburgh 8¾ pc Bonds Red. 24/5/72, 3⅜ pc.
Enfield 8¾ pc Bonds 24/5/72, 3⅜ pc.
Epping and Ongar 6¾ pc Bonds Red. 24/5/72, 3⅜ pc.
Erith and Co., 2.5p.
Ex-Lands, 0.75p.
FPA Construction, 0.75p.
Gallenkamp (A.), 2.833p.
Grattan Warehouses, 2.5p.
Grimsby 8¾ pc Bonds Red. 24/5/72, 3⅜ pc.
Homfray, 3.75p.
Hunting Gibson, 4.5p.
Kirkstall Forge Engineering, 1.5p.
Ladbroke Group, 7.8p.
Lincoln-Parts of Kesteven 8¾ pc Bds. Red. 24/5/72, 3⅜ pc.
Linreed, Ord. 3p, A 0.25p.
London and Holyrood Trust, 2p.
London and Provincial Trust, 1.875p.
Miller (F.) Textiles, 1.3p.
New Broken Hill, 2.7889p.
Purle Bros., 1p.
Rex Trueform Clothing Ord. and A, 8.7172p.
Rombalds Water Board 6¾ pc Bds. Red. 24/5/72, 3⅜ pc.
Rowntree Mackintosh, 3p.
Royal Insurance, 5.5p.
Royal Bank of Canada, 22 cts.
Royal Sovereign Pencil, 1.25p.
Shipley Urban District Council 6¾ pc Bds. Red. 24/5/72, 3⅜ pc.
Shipton Urban District Council 6¾ pc Bds. Red. 24/5/72, 3⅜ pc.
South West Africa, 7.5p.
Stevenage 6¾ pc Bds. Red. 24/5/72, 3⅜ pc.
Thurrock 6¾ pc Bds. Red. 24/5/72, 3⅜ pc.
Trident Television (A Non-V. Ord.), 1.6p.
Upward and Rich, 0.5p.
Vickers, 1.5p.
Westminster Trust Holdings deb. stk., £3.432.

SATURDAY NOVEMBER 20

COMPANY MEETINGS—
Cradley Printing Co., Cradley Heath, 12.15.

DIVIDEND & INTEREST PAYMENTS—
A.C.W., 0.875p.
Caterpillar Tractor, 35 cts.
Cradley Printing, 1.8p.
Crane Fruehauf Trailers, 0.5p.
Manders (Holdings), 0.75p.

SUNDAY NOVEMBER 21

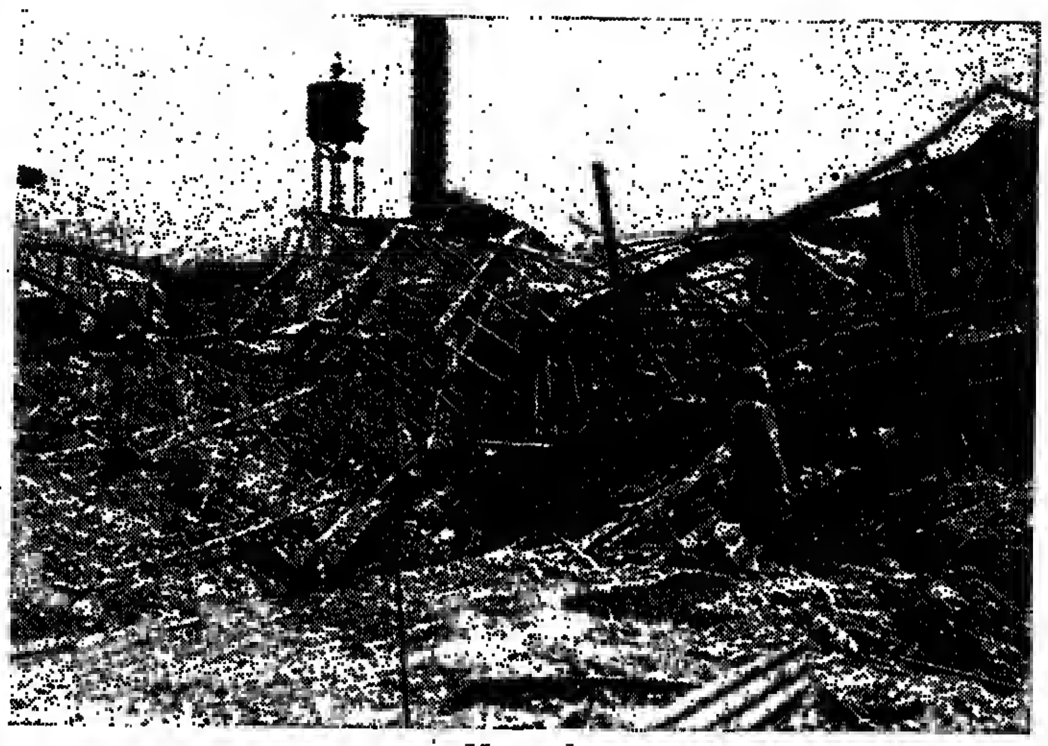
DIVIDEND & INTEREST PAYMENTS—
Agricultural Mort. Corpn. 5 pc deb. stk. 1979-83 2½ pc, 3½ pc 1975-78 1¾ pc.
Liverpool Corpn. 5½ pc Red. stk. 1974-76, 2¾ pc.
London Corpn. 5¼ pc 1976-79, 2⅝ pc.
London County 6 pc 1972, 3 pc.

هكذا من الأصل

By 1945, Germany had won a huge industrial advantage.

Aachen

Marl



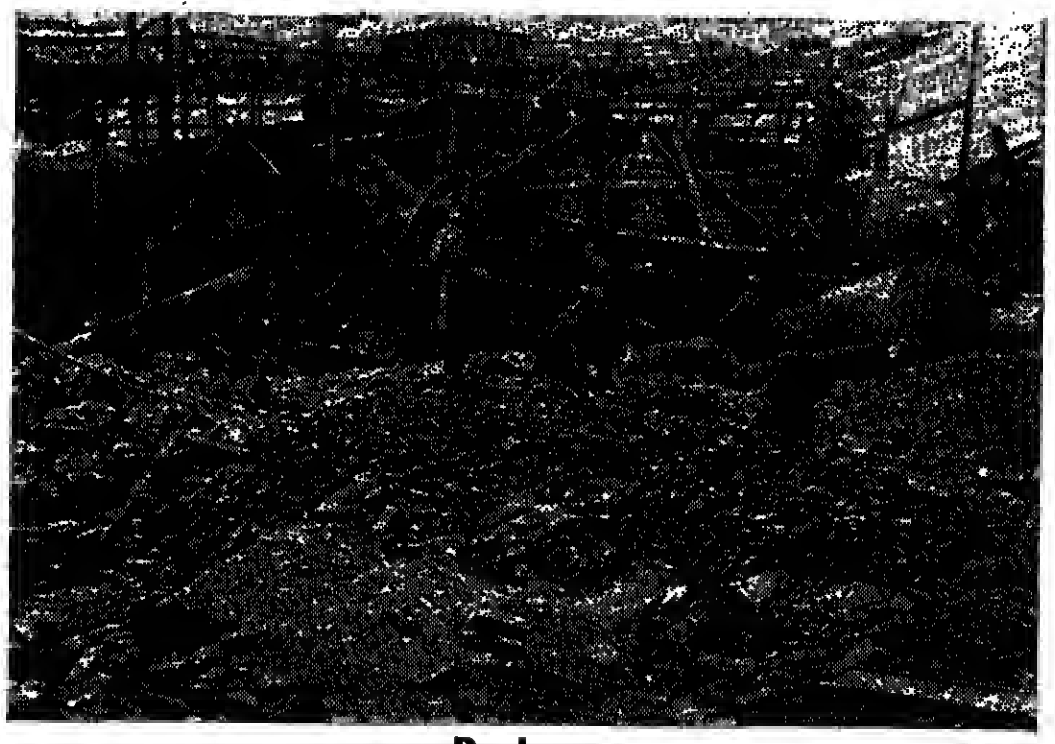
Kassel

Essen

Ludwigshaven

Nüremburg

Neuenkirchen



Bochum

Fallersleben

Wartime bombing destroyed the German economy.

It also left the basis of Germany's post-war recovery.

For the bombs destroyed traditional attitudes as well as factories.

And when rebuilding started, efficiency rather than precedent governed every management decision.

In Britain, management saw no such need to change its ways.

And to this day, precedent is still one of the biggest factors in management decisions.

Take factory heating.

Every time a new factory is built, management has to choose between two completely different heating systems.

One, the warm air system, is modern, efficient and cheap.

The other, the boiler system, is old-fashioned, clumsy, and twice as expensive to install.

It is, however, hallowed by tradition.

Which is why 75% of factories built in Britain this year will be heated by a boiler system.

In contrast to Germany. Where, ever since the war, warm air heating has taken over from boilers.

What makes British management's complacency sad is that the British make the best warm air heating system in the world.

It is made in Havant by Colt.

A Colt warm air system comes with a foolproof 10 year guarantee.

Every Colt system is regularly serviced by Colt engineers.

And Colt's fleet of over 60 service vehicles attend to any emergency within 24 hours.

Best of all, a complete Colt warm air system can now be leased.

In a 100,000 sq. ft. factory, for example, a mere £1,000 will now see a Colt system installed and in operation.

And £400 of that £1,000 will come straight back to you, in the shape of a 40% rebate on Corporation Tax.

Our free survey will show you how little it would cost you.

With the Common Market coming, the boiler system is not a tradition you can afford to keep up.

Colt International Ltd. (Heating Ventilation & Industrial Access), Havant, Hants. Havant 6411. Telex: 86219.

هكذا من الأصل

Overseas News

IN BRIEF

● BELGIUM: King Baudouin has appointed M. Gaston Eyskens, head of the outgoing Belgian Government, to advise him in his task of choosing the country's next Prime Minister. The appointment confirms reports that there are difficulties in forming a new Government following a general election last Sunday in which M. Eyskens' coalition of Social Christians and Socialists were given a majority but extreme Federalists made spectacular gains.

● TUNISIAN Economy Minister Tijani Chelly, in an interview with the Socialist Party newspaper L'Action, said oil had just been discovered in the Gulf of Gabes off southern Tunisia. He said 2m. tons of oil per year could be produced from the site and production is expected to begin by March, 1973.

● EGYPTIAN International Bank for Trade and Development has received a British offer for financing a project for the production of railway spare parts, the purchase of cargo ships and the development of the Egyptian fishing fleet.

● ISRAELI Cabinet decided to establish an inquiry commission to investigate the management of oil fields in the Sinai Peninsula following allegations of irregularities raised by a Government geologist.

Mrs. Gandhi plays down crisis as Cabinet meets

BY OUR OWN CORRESPONDENT NEW DELHI, Nov. 14.

AS BORDER tension mounted following a major clash yesterday between Indian and Pakistani forces in the Nadia district of West Bengal the Indian Premier Mrs. Indira Gandhi appeared set to-day to play the crisis on a low key.

Mrs. Gandhi's surprising "wait and see" attitude was clear from to-day's meeting of the key Political Affairs Committee of the Cabinet which met to hear her report on her three-week tour of Western capitals which ended with her return from Bonn yesterday.

Mrs. Gandhi is understood to have told the Committee that India should await the outcome of efforts launched by some world leaders she met during her tour to persuade President Yahya Khan to initiate a political settlement in East Bengal. This clearly means India will not take precipitate action pending the outcome of the international community's efforts to effect a settlement in East Bengal which would enable the return of nearly 10m. refugees now in India.

Mrs. Gandhi told her senior Cabinet colleagues that world leaders were now convinced of the need for a political settlement in East Bengal and they had undertaken to initiate talks with Yahya.

The Political Affairs Committee also discussed the question of declaring an emergency in the country but no decision was taken. This will now await consultations Mrs. Gandhi is to have with leaders of opposition parties and also the Congress Parliamentary Party. These should have begun to-day but will wait until to-morrow owing to a lack of time.

To-morrow, Parliament's winter session begins and Mrs. Gandhi will make a statement on her tour and also deal with moves by some parties to censure her Government for "mishandling" of the border and refugees issues. Defence Minister Jagjivan Ram is expected to make a statement to-morrow on the border situation and steps taken to meet the threat of invasion in the western sector where forces of both countries are facing each other along the border.

In the eastern sector exchange of shelling has been taking place at various points specially at Shikarpur where a Pakistani attempt to overrun an Indian outpost was reportedly repulsed.

AP reports from New Delhi: The Indian Government said it had received its first message in many years from a Chinese leader—a cable in which Premier Chou En-lai expressed the hope that friendship between the peoples of China and India will "grow and develop daily".

The message, dated Saturday and received on Sunday, was addressed to Mrs. Gandhi and thanked her for a cable she sent Chou last month congratulating China on its entry into the UN.

Arabs seek united front

CAIRO, Nov. 14.

ARAB Foreign Ministers to-day set up a five-nation committee to suggest means of settling differences among Arab countries in readiness for the debate on the Middle East in the UN General Assembly later this month.

The committee is made up of the Foreign Ministers of Egypt, Syria, Kuwait, Lebanon and Tunisia. The committee has already drawn up a five-point report dealing with various aspects of the differences between Arab countries, Arab League sources said.

The sources said the report dealt with the Eastern front against Israel—which comprises Jordan and Iraq—the mobilisation of resources, the question of Palestine resistance and efforts to turn the battle against Israel into a pan-Arab struggle.

The Arab Foreign Ministers began their meeting at the League headquarters in Cairo last night. They are trying to determine a unified Arab strategy on the Middle East crisis before it is raised at the General Assembly.

Egypt was reported to be anxious to avoid division within Arab ranks, especially at the Assembly. But observers here said it was difficult to see how a unified strategy could be reached.

Reuter

U.S. coal dispute settled

By Jurek Martin

NEW YORK, Nov. 14.

A PROVISIONAL agreement was reached here on Saturday night on the terms of a new three-year contract covering the nation's soft coalminers. It should end the 44-day strike that has been having increasingly severe effects on segments of American industry.

Although full details of the settlement have not been released, it is believed to include a wage increase of about 30 per cent. over the life of the contract. This would be well in excess of the 5.5 per cent. a year guidelines for wage increases laid down by the Federal Pay Board, whose approval for the agreement must be secured. However, it is felt here that the Board will probably allow this particular settlement.

AP adds from New York: Many ocean freight rates will advance 5 to 10 per cent. on Monday. The U.S. Government exempted international shipping rates from phase 2 controls. As a result, steamship conferences are putting into effect those rate boosts that were suspended during the 90-day freeze.

A major U.S. steamship company spokesman said that ocean freight rates on the trade routes between the U.S. Atlantic coast and the U.K. and France will rise 10 per cent. on Monday. Also, rates between Portugal and Spain and the U.S. East coast will rise a like amount. A like advance between Japan and the U.S. West coast is also set, he said.

Castro hints at Cuban military aid for Chile

BY HUGH O'SHAUGHNESSY SANTIAGO, Nov. 14.

MAJOR Fidel Castro, the Cuban Premier, in the most important speech he has made during his visit to Chile yesterday offered his hosts Cuban assistance in a large number of fields including, he hinted, the military field. At the same time he called on workers in the mining and other industries to subordinate their interests to the interests of the nation.

His appeal comes at a time when copper workers at Chuquicamata, the world's biggest opencast pit, are embarrassing Dr. Salvador Allende's Left-wing Government with demands for 50 per cent. wage increases. Talking to a rally in the northern mining city of Antofagasta, the Cuban Premier said that Chile had only to ask for medical help to be full of Cuban doctors. He assured Chileans they need never go without Cuban sugar. Referring obliquely to previous mentions of Cuban military assistance Major Castro said, "We are willing to give even our own blood."

Speaking at the nitrate mine of Pedro de Valdivia, outside Antofagasta, the Cuban leader laid special emphasis on the fact that "the nitrate belongs to all Chileans, the textile industry belongs to all Chileans, the copper belongs to all Chileans and all the country's resources belong to the whole country . . ." He condemned the idea of workers' control of individual industries as leading to selfishness on the part of workers in more prosperous industries. Given yesterday's remarks everything points to Major Castro making a strong appeal for moderation in wage demands when he meets the Chuquicamata workers later to-day.

Meanwhile in the capital, Sr. Americo Zorrilla, the Finance Minister has replied to attacks by the Christian Democratic opposition to President Allende's plans to seek renegotiation of Chile's foreign debt.

Sr. Zorrilla reiterated that the outgoing Christian Democratic Government had left the present Administration with a foreign debt of $3,127.9m. not counting $728m. in the unpaid debts of the copper companies. Only Israel had as large a foreign indebtedness per head of population as Chile. He also claimed that the opposition had exaggerated the rise in Government spending abroad this year. This had, he said, risen $29.9m. in 1971 ($64.5m. in 1970 under the Christian Democrats). At present 40 per cent. of Chile's export earnings go on debt servicing and amortisation.

The U.S. is by far Chile's largest creditor, $335m. is owed to the Export-Import Bank, $526m. to U.S. Aid, $310m. to the Inter-American Development Bank and $122m. to the World Bank.

In the present circumstances, observers here see little possibility of any change in the official opposition to any effective payment for the U.S. copper mines which were taken over by the Government earlier this year. The nationalisation has met with the approval of Government and opposition supporters and the public at large.

Irish loan successes

BY OUR OWN CORRESPONDENT DUBLIN, Nov. 14.

EXCESS liquidity in the Irish economy has produced an unexpected flow of money into Government funds this financial year. Last week the Government's new 9¾ per cent. Exchequer Loan, 1991-96, raised £22m. where £15m. to £20m. would have been considered satisfactory.

In August the Government for the first time was able to sell three additional tranches of existing stocks (previously issued only once a year). It sold £13m. at once and £5m. since then. This total for the financial year so far of £40m. new subscriptions to domestic Government stocks (excluding foreign borrowing) is well above the £27m. estimate made in the Government's capital budget for the year.

So well have the sales gone, in fact, that the Government took the opportunity last month to announce additional capital expenditure of £15m., all to be financed from these stocks. The rush into Government stocks seems largely to be an aftermath of last year's six-month closure of the banks here.

French wages policy gets a much-needed boost

BY ROBERT MAUTHNER PARIS, Nov. 14.

[T]HE French Government's incomes policy has been given a much-needed boost with the conclusion at the week-end of two important wage contracts laying down the size of pay rises in the Civil Service and the State-owned gas and electricity industry over the next two years.

The agreement between the trade unions and the electricity and gas enterprises, basically an extension of the first so-called "contract for progress" signed in 1969, provides for a guaranteed rise in the purchasing power of workers of at least 2.5 per cent. in 1972 and between 2 and 3 per cent. in 1973. The increase in purchasing power will be calculated according to a formula taking into account the rise in Gross Domestic Product and the production and productivity performance of the two industries concerned.

If the French economic climate in general continues to be satisfactory and productivity and consumption of gas and electricity improves, the purchasing power of workers in the industry will be allowed to increase by more than the guaranteed 2.5 per cent. The agreement has been signed by all the unions involved except for the left wing CFDT, which has stated that it must first of all consult its members.

The Civil Service wage agreement, which provides for total pay rises of 7.7 per cent. in 1971 and at least 5.5 per cent. in 1972, in addition to being index-linked, is of at least equal importance. Up to now, this has been the only sector for which the Government has been unable to persuade the trade unions to accept a global contract.

U.S. withdrawals pose problems for Saigon

BY OUR OWN CORRESPONDENT SAIGON, Nov. 14.

[PR]ESIDENT Nixon's announcement last Friday that the U.S. monthly troop withdrawal rate will be increased to just over [..]00 from December onwards [had] been anticipated here for months, and therefore came as [no] surprise to the South Vietnamese Government. Military spokesmen have expressed confidence that their troops can take [on] added responsibilities as long [as t]hey continue to be supported [by] U.S. air power.

[T]hat the continuing U.S. withdrawal will create problems for [the] South Vietnamese Government was none the less tacitly acknowledged by a Foreign Ministry communique issued [soo]n after the Nixon Press conference. The communique announced that there will be [mor]e increases in the size of [Saig]on's armed forces.

[So]me military experts here believe that the South Vietnamese Army already faces a [man]power shortage particularly [in] the country's northernmost provinces, where the last remaining U.S. divisions—the Americal and the 101st Airborne—either have been or soon will be withdrawn. As a stopgap measure the South Vietnamese are putting together a new division by re-allocating troops from existing units: but this is clearly a manoeuvre which is self-defeating if repeated too often, and in future new units will probably have to be composed either of new conscripts or of upgraded militiamen. Thus the Foreign Ministry communique.

There has been some speculation about Mr. Nixon's reasons for announcing withdrawals covering only a two-month period, rather than a seven-month period as had been generally expected here. Observers point out that by allowing himself at least the theoretical option of reducing the withdrawal rate between February and June, Mr. Nixon is probably hoping to deter the North Vietnamese from launching a dry-season offensive in March or April, which could endanger the remaining American units.

[C]OMPANY NOTICES

[OM]RON TATEISI ELECTRONICS CO. [(]Tateisi Denki Kabushiki Kaisha)

[No]tice has been received from Tokyo [that] the Thirty First Ordinary General [Meeti]ng of the Company will be held at [...] Tsuchidocho, Hanazono, Ukyo-ku, [...] on Monday, 29th November, 1971. [Th]e Agenda is as follows:

Approval of Business Report and Statements for the thirty first term [(1]st April, 1971 to 30th September, 1971).

[In] accordance with Clause 15 of the [...] holders of BEARER DEPOSITARY RECEIPTS wishing to instruct the [Depos]itary to exercise the voting rights [in re]spect of the shares represented by [their] Receipts are notified that they must [lodge] their Receipts with one of the [follow]ing by 3 p.m., 22nd November, [1971]:

HILL SAMUEL & CO. LIMITED, 100, Wood Street, London, E.C.2. (where lodgment forms are available).
HILL SAMUEL & CO. OHG, Postfach 174103, Niedenau 45, 6000 Frankfurt am Main, West Germany.
KREDIETBANK S.A. LUXEMBOURGEOISE, 37 rue Notre Dame, Case Postale 118, Luxembourg.
BANK OF TOKYO LIMITED, 25, Avenue de l'Opera, Paris 1e, France.
BANK OF TOKYO LIMITED, Dusseldorf, Schadowplatz 12, Federal Republic of Germany.
BANK OF TOKYO LIMITED, 93, [R]ue Royale, Brussels 1, Belgium.
BANK OF TOKYO LIMITED, Sutherland House, 3, Chater Road, Hong Kong.
BANK OF TOKYO TRUST CO., 100, Broadway, New York, U.S.A.

[If] desired, instructions may be given [to H]ill Samuel & Co. Limited to give [a dis]cretionary proxy to a person designated by the Company.

[Vot]ing rights may only be exercised [in re]spect of Depositary Receipts rep[resent]ing Ordinary Shares on the Register [at] 30th September, 1971.

[Cop]ies in English of the full text [of th]e Notice convening the Meeting, if [requir]ed, will be available shortly, during [norma]l business hours at the offices of [any o]f the above-mentioned Banks.

[HIL]L SAMUEL & CO. LIMITED,
100, Wood Street,
London, E.C.2.

[B]URRELL AND CO. LIMITED

[NO]TICE IS HEREBY GIVEN that the [Ordin]ary Share TRANSFER BOOKS of [the C]ompany will be closed from 22nd [Nove]mber, 1971, to 1st December, 1971, [both] days inclusive, for the preparation [of W]arrants in respect of Interim Dividend for the year ending 31st December.

For Transferees to be entitled to [receiv]e this Dividend TRANSFERS must [be lo]dged with the Company by 2 p.m. [on th]e 19th November, 1971.

By Order of the Board,
E. T. SLADE, Secretary.
[Regis]ter Office, Maryland Rd., London E.15

Austrian 4% Gold Rentes		(1)
Austrian 4½% Redeemable Treasury Notes 1914		(2)
Hungarian 4% Gold Rentes, 1881, 1888 and 1893		(3)
Hungarian Rentes 4% 1910, 4½% 1913 and 4½% 1914		(4)
Austro-Hungarian Chartered State Railways (S.T.E.G.) 3% and 4% 1900 Loans		(5)
Hungarian 3% State Gold (Iron Gates) Loan 1895		(6)

The CAISSE COMMUNE DES PORTEURS DES DETTES PUBLIQUES AUTRICHIENNE ET HONGROISE, 22 Boulevard de Courcelles, Paris (17e) remind bondholders that Bonds of the above loans have been subject, in accordance with notices published in 1953, 1954 and 1955, to a procedure of validation by recouponment.

After consultations with the successor and cessionary States of the former Austro-Hungarian Monarchy, the Caisse Commune announce that the period for presentation of claims for validation of Bonds of these loans will definitely end on the 31st December 1971.

Claims should be made to the appropriate Paying Agent, i.e.—
Council of Foreign Bondholders (1, 5 and 6)
N. M. Rothschild & Sons Ltd. (3 and 4)
J. Henry Schroder Wagg & Co. Ltd. (2)
15th November, 1971.

IMPERIAL JAPANESE GOVERNMENT 4% STERLING LOAN OF 1910

The Bank of Tokyo, Limited, are instructed by the Japanese Government to announce that the COUPONS due 1st December, 1971 No. 123 detached from enfaced bonds will be PAID on and after 1st December, 1971.

They should be presented for payment at The Bank of Tokyo Limited 20/24, Moorgate, London, EC2R 6DH, listed on the forms provided, between the hours of 10 a.m. and 2 p.m. They must be left at least five clear days for examination prior to payment.

In accordance with the Exchange Control Act, 1947, coupons can only be accepted from and paid to an Authorised Depositary.

Coupons cannot be accepted through the post.

For THE BANK OF TOKYO, LIMITED,
K. NARUSAWA, Manager.
15th November, 1971.

JESSUPS (HOLDINGS) LIMITED

NOTICE IS HEREBY GIVEN that the Register of Members in respect of the Ordinary Shares of the Company will be CLOSED from Monday 22nd November, 1971 until Saturday, 27th November, 1971, both days inclusive.

By Order of the Board,
B. J. MACLEISH, Secretary.

A copy of this Offer for Sale, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration. Application has been made to the Council of The Stock Exchange, London, for permission to deal in and for quotation for the share capital of the Company, issued or to be issued as mentioned below.

The Application List for the Ordinary Shares now offered for sale will open at 10 a.m. on Thursday, 18th November, 1971 and will close at any time thereafter on the same day.

FIDELITY RADIO LIMITED

(Incorporated in England under the Companies Act, 1948)

SHARE CAPITAL

Authorised:		Issued or to be issued and fully paid:
£500,000	in 5,000,000 Ordinary Shares of 10p each	£400,000

At 29th October, 1971, the Company had outstanding: (i) a mortgage loan of £135,000, secured by a first fixed charge on the freehold factory premises and by a life assurance policy; and (ii) a bank overdraft of £69,261, secured by a second fixed charge on the freehold factory premises. Save as aforesaid, neither the Company nor any of its subsidiaries has outstanding any bank overdrafts or other similar indebtedness, mortgages, charges, debentures or other loan capital, hire-purchase commitments or any guarantees (other than guarantees given in the ordinary course of business) or other material contingent liabilities.

Hambros Bank Limited

Offer for Sale 1,480,000 Ordinary Shares of 10p each at 70p per Share

payable in full on application

The Ordinary Shares now offered for sale rank in full for all dividends hereafter declared or paid on the Ordinary share capital of the Company.

PROCEDURE FOR APPLICATION

Barclays Bank Trust Company Limited, New Issues Division, P.O. Box No. 78, Malvern House, 72 Upper Thames Street, London, EC4P 4BJ, will receive applications, which for up to 1,000 Shares must be in multiples of 100 Shares, for amounts between 1,000 Shares and 10,000 Shares in multiples of 500 Shares and for more than 10,000 Shares in multiples of 5,000 Shares. The minimum application is for 100 Shares. Applications must be made on the accompanying Application Form and forwarded to Barclays Bank Trust Company Limited as above, together with a cheque for the full *amount payable on application, so as to arrive not later than* 10 *a.m.* on Thursday, 18th November, 1971. A separate cheque (drawn on a bank or branch thereof in England, Wales or Scotland) must accompany each application. Hambros Bank Limited ("Hambros") reserve the right to present all cheques for payment on receipt, to retain Letters of Acceptance and surplus application moneys pending clearance of the successful applicants' cheques and to reject any application and in particular multiple or suspected multiple applications. No application can be considered unless these conditions are fulfilled.

Preferential consideration will be given (up to an aggregate maximum of 75,000 Shares) to applications, *which must be for 50 or 100 Shares or multiples of 100 Shares, received on the special* pink Application Forms available to employees of the Company but not to Directors.

Acceptance of all applications will be conditional on the Council of The Stock Exchange, London granting on or before 24th November, 1971 permission to deal in and quotation for the issued share capital of the Company. Moneys paid in respect of all applications will be returned if such permission and quotation are not granted and in the meantime will be retained by Barclays Bank Trust Company Limited in a separate account. If any application is not accepted or is accepted for fewer Shares than the number applied for, the application moneys or the balance thereof, as the case may be, will be returned through the post at the applicant's risk.

Arrangements will be made for registration by the Company of all Ordinary Shares now offered for sale, free of stamp duty and registration fees, in the names of purchasers or persons in whose favour Letters of Acceptance have been renounced, provided that, in cases of renunciation, Letters of Acceptance (duly completed in accordance with the instructions contained therein) are lodged for registration by 3 p.m. on 12th January, 1972. *Share Certificates* will be issued on 7th February, 1972.

Copies of this Offer for Sale with ordinary Application Forms may be obtained from:—
HAMBROS BANK LIMITED, Stock Office, 55 Bishopsgate, London, EC2P 2AA.
BARCLAYS BANK TRUST COMPANY LIMITED, New Issues Division, P.O. Box No. 78, Malvern House, 72 Upper Thames Street, London, EC4P 4BJ.
ROWE & PITMAN, Woolgate House, Coleman Street, London, EC2R 5BL.
and from the following branches of BARCLAYS BANK LIMITED:—
137 Ladbroke Grove, Notting Hill, London, W11 1PR.
4 Water Street, Liverpool, L69 2DU.
17 York Street, Manchester, M60 2AU.
63 Colmore Row, Birmingham, B3 2BY.
37 Park Row, Leeds, LS1 1HS.

DIRECTORS

JACOB DICKMAN, 27 Corringway, London, W5 3AB.
(Chairman and Managing Director).

ARTHUR BANFORD, 32 Stamford Court, London, W6 0XD.
(Sales Director)

EDMOND OUAKNIN, 21 Bancroft Avenue, London, N2 0AR.
(Finance Director)

STEVEN GRAHAM DICKMAN, 53a London Road, Stanmore, Middlesex.
(Works Director)

BANKERS

BARCLAYS BANK LIMITED, 137 Ladbroke Grove, Notting Hill, London, W11 1PR.
HAMBROS BANK LIMITED, 41 Bishopsgate, London, EC2P 2AA.

RECEIVING BANKERS TO THE OFFER FOR SALE

BARCLAYS BANK TRUST COMPANY LIMITED.
New Issues Division, P.O. Box No. 78, Malvern House, 72 Upper Thames Street, London, EC4P 4BJ.

BROKERS

ROWE & PITMAN,
Woolgate House, Coleman Street, London, EC2R 5BL and The Stock Exchange, London.

SOLICITORS

NORTON, ROSE, BOTTERELL & ROCHE,
Kempson House, Camomile Street, Bishopsgate, London, EC3A 7AN.

AUDITORS AND REPORTING ACCOUNTANTS

TOUCHE ROSS & CO., 3 London Wall Buildings, London, EC2M 5PH *(Chartered Accountants).*

SECRETARY AND REGISTERED OFFICE

EDMOND OUAKNIN, 6 Olaf Street, London, W11 4AY.

REGISTRARS AND TRANSFER OFFICE

TOUCHE ROSS & CO., 41/47 Old Street, London, EC1V 9PT.

CHAIRMAN'S LETTER

The following is a copy of a letter to Hambros from Mr. J. Dickman, the Chairman and Managing Director of the Company:—

11th November, 1971.

Dear Sirs,

In connection with your Offer for Sale of Ordinary Shares of Fidelity Radio Limited ("the Company"), I have pleasure in giving you the following information:—

History and Business.—The business now carried on by the Company was founded by my wife and myself in 1946, when we started to manufacture radio sets. By the following year the business, which had already moved to larger premises, was also manufacturing radiograms and by 1955 record players were also being produced. The Company was incorporated in 1956 to take over the business and during that year the Company also began to manufacture tape recorders. In 1964 all the Company's activities, which had hitherto been carried on from a number of scattered premises in West London, were concentrated in the present premises at Olaf Street.

The Company is believed to be the largest British producer of portable radios and record players. The Company's current range of models comprises transistor radios, record players, audio units, a stereogram and a tape recorder, mainly in the popular price range. All models are designed by the Company's staff and are assembled from components purchased largely from specialist manufacturers (but to an insignificant extent made in the Company's factory): it is the Company's policy to give preference to the use of British components. The Company does not enter into long-term contracts with any of its suppliers. In the financial year ended 31st March, 1971 one supplier accounted for about 19 per cent. of total purchases. The assembly lines are designed with a view to flexibility of production, so that models can be readily produced to meet demand at any particular time.

The Company's products are sold under the "Fidelity" brand name, except for about 6 per cent. which is sold under customers' "own brand" labels.

The Company's customers comprise mail order houses, multiple stores, wholesalers and export customers. The Company promotes its products through national and trade press and joint customer advertising campaigns and participates in the annual Radio Trade Show. The Company does not have long-term sales agreements but agrees its sales prices with its major customers for periods of up to 12 months. In the financial year ended 31st March, 1971 the Company's two largest customers respectively accounted for approximately 15 per cent. and approximately 10 per cent. of total turnover. Bad debts in each of the last 3 financial years have represented less than 0.15 per cent. of turnover.

The Company's export customers are in some 28 countries; in the year ended 31st March, 1971 some 90 per cent. of export business was to Europe. In the Directors' opinion the United Kingdom's entry into the Common Market would be of benefit to the Company, accompanied as it would be by the gradual withdrawal of Commonwealth preference for Hong Kong products. The Company has for many years had to face Japanese competition in the United Kingdom market but has nevertheless year by year managed to increase its proportion of total sales in that market.

The Company has a service department for dealing with customers' claims under guarantee and for providing a repair service for the Company's products. The Company operates its own fleet of vehicles which deliver the majority of products sold within the United Kingdom.

Turnover.—The turnover of the Company for the 3 years and 6 months ended 30th September, 1971 was made up as follows:—

	31.3.1969		31.3.1970		31.3.1971		30.9.1971 (6 months)	
Type of customer	£000	per cent	£000	per cent	£000	per cent	£000	per cent
United Kingdom Sales								
Mail Order Houses	565	22	709	27	1,027	25	658	27
Multiple Stores	469	18	433	16	798	20	600	25
Wholesalers	1,449	56	1,380	51	2,046	50	1,076	44
Export Sales	108	4	149	6	200	5	105	4
	2,591	100	2,671	100	4,071	100	2,439	100

Premises.—The Company has freehold premises on a site of some 1.34 acres at Olaf Street, London, W.11, adjacent to the Westway and West Cross Motorways and comprising some 65,000 square feet of factory, warehouse, office and showroom accommodation. Part of the premises had been leased to a third party and sub-let back to the previous owner and in consequence until 1988 the Company will have a net annual rental liability of £912 on the premises.

The Directors consider that there is scope for expansion in the existing Olaf Street premises and, by using a temporary storage facility at Greenford which the Company has on a monthly tenancy, for increasing production significantly before additional manufacturing and assembly space would be required. It is in any case hoped that the Company will be able to acquire additional land at the rear of the Olaf Street premises.

Directors, Management and Staff.—I am 55 and have been engaged since its inception in the business now carried on by the Company. Mr. Arthur Banford, who is 55, has been associated with the business since 1955 and is responsible for sales policy. Mr. Edmond Ouaknin, who is 37, has been with the Company since 1964 and is the Financial Director and Secretary. My son Steven Dickman, who is 26, is the Works Director and has been with the Company since 1963. All 4 of us have entered into Service Agreements with the Company for 7 years from 11th November, 1971 (Contracts Nos. (3)—(6) below).

The Company currently has 380 employees of whom 290 are engaged in production, 7 in sales, 20 in servicing products, 25 in administration and 38 in transport, factory maintenance and other ancillary activities. The principal senior management employees have been with the Company for a number of years. Relations between management and employees have always been excellent.

Proceeds of the Issue and Working Capital.—The proceeds of the issue of 350,000 new Ordinary Shares of 10p each being subscribed by Hambros, amounting to £207,450 after the estimated expenses of the issue, will be utilised as additional working capital for the Company. Taking into account the net proceeds of the issue and the banking facilities available, the Directors are of the opinion that the Company will have sufficient working capital for its present requirements.

Profits, Prospects and Dividends.—As will be seen from the Accountants' Report, the Company has shown steady growth both in turnover and in profits, except for the period between 1964 and 1967 and for the year ended 31st March, 1970. The decrease in profits in the earlier period was the result of dislocation caused by the move to the Olaf Street factory from 5 smaller premises. The fall in profits in 1970 was a direct result of the Company's policy at that time to hold down prices in the face of rising costs and general inflationary trends. This policy was subsequently altered to meet changing conditions, which has resulted in better margins on increased sales. I am confident that there will be an increasing demand for the types of equipment which the Company produces in its price range.

Since 30th September, 1971 sales have continued at a high level and margins have been maintained. Accordingly the Directors are of the opinion that, in the absence of unforeseen circumstances, profits before Directors' emoluments and taxation for the full year to 31st March, 1972 should be not less than £512,000 which, after charging Directors' emoluments of (a) £55,000 for a full year on the basis of arrangements now in force, and (b) additional amounts of £37,000 in respect of the period to 11th November, 1971 payable under arrangements then in force, would result in profits before taxation of £420,000.

In the event of profits before taxation of £420,000 being realised the Company would expect to recommend for the year ending 31st March, 1972 a first and final dividend on the issued Ordinary Shares of 25 per cent., less income tax, payable in July, 1972. If there had been a public shareholding in the Company for a full year the Directors would have expected the Company to pay an interim dividend of 15 per cent. in about December and a final dividend of 25 per cent. in about the following July.

The following table illustrates the appropriation of profits of £420,000 before taxation and dividends totalling 40 per cent. gross for a full year:—

	£	£
Profits before Directors' emoluments and taxation		512,000
Less:		
Directors' emoluments for a full year on the basis of arrangements now in force	55,000	
Additional amounts in respect of the period to 11th November, 1971 payable under arrangements then in force	37,000	
		92,000
Profits before taxation		420,000
Less: Corporation Tax at 40 per cent.		168,000
		252,000
Less: Ordinary dividends totalling 40 per cent. gross		160,000
Leaving a balance of		£92,000

On the basis of dividends totalling 40 per cent. for a full year the Ordinary Shares would show a gross return of 5.7 per cent. *at the price at which they are now being offered for sale: such dividends would be* covered 1.57 times by profits of £252,000 after taxation and the price/earnings ratio would be 11.

Yours faithfully,
J. DICKMAN,
Chairman and Managing Director.

ACCOUNTANTS' REPORT

The following is a copy of a Report by the Auditors and Reporting Accountants, Touche Ross & Co., Chartered Accountants:—

The Directors,
FIDELITY RADIO LIMITED, *and*
HAMBROS BANK LIMITED.

11th November, 1971.

Gentlemen,

We have examined the audited accounts of Fidelity Radio Limited ("the Company") and its wholly-owned subsidiary companies (all incorporated in England) from 1st April, 1961 or dates of incorporation indicated below to 30th September, 1971:—

Latent Electrics Limited—incorporated 3rd July, 1962;
Tape-Recorder Producing Company Limited (formerly Consistent Electrics Limited)—incorporated 5th July, 1962;
Chassis Assembly Limited (formerly Diligent Electrics Limited)—incorporated 11th July, 1962.

None of the subsidiaries has ever traded. We have been auditors of the Company throughout the ten years and of the subsidiary companies from their dates of incorporation, and report as follows:—

1. Profits

The turnover, depreciation and profits of the Company for the 10 years and 6 months ended 30th September, 1971, arrived at on the basis set out in the notes below, were as follows:—

Year ended 31st March	*Turnover* (i) £	*Depreciation* (ii) £	*Profits before Directors' emoluments and before taxation* (iii) £
1962	1,549,431	5,384	69,354
1963	1,859,940	8,906	117,492
1964	2,092,688	19,198	75,812
1965	2,027,515	21,264	50,858
1966	1,798,807	18,586	46,927
1967	1,957,854	21,413	52,744
1968	2,238,594	26,812	118,178
1969	2,590,850	27,340	169,975
1970	2,571,454	30,795	140,785
1971	4,070,725	45,460	347,458
Six months ended 30th September, 1971	2,439,196	41,500	272,715

Profits shown in column (iii) are stated before charging Directors' emoluments and taxation but after charging all working expenses, including depreciation and interest payable, and after making such adjustments as we consider appropriate. During the 10 years and 6 months under review the Sales Director received a commission on turnover out of which he paid the salaries and expenses of the sales organisation. The profits in column (iii) above have been adjusted to eliminate the gross amount of such commission and to substitute as a deduction the expenses paid by the Director, this being the basis of the arrangements effective for the future.

Notes:—

(i) Turnover represents the gross value of goods and services sold in the normal course of business.
(ii) No depreciation has been charged on the original cost of the freehold premises.
(iii) The aggregate emoluments of the Directors (including the gross commission paid to the Sales Director less expenses paid by him) for the year ended 31st March, 1971 and for the 6 months ended 30th September, 1971 amounted to £82,469 and £53,388 respectively. Under the arrangements now in force such emoluments would have amounted to £51,151 and £27,555 respectively, inclusive of commission calculated by reference to the adjusted profits of those periods.

2. Net Assets

The net tangible assets of the Company, based on the audited balance sheet at 30th September, 1971, and after making such adjustments as we consider appropriate, were as follows:—

	Cost £	*Depreciation* £	*Net* £
Fixed Assets			
Freehold property (note (i))	137,985	—	137,985
Freehold improvements	58,450	18,040	40,410
Plant, machinery, fixtures and fittings	70,743	35,925	34,818
Tools and tooling	134,100	86,246	47,854
Motor vehicles	58,391	25,109	33,282
	£459,669	£165,320	294,349
Subsidiary Companies (note (ii))			
Shares at cost		6	
Less: Amounts due from parent company		6	—
Life Assurance Policy at surrender value			6,650
Current Assets			
Stocks and work in progress (note (iii))	642,445		
Debtors	781,395		
Cash	737	1,424,577	
Less:			
Current Liabilities			
Creditors	727,703		
Corporation tax payable 1st January, 1972	108,000		
Current taxation	1,846		
Bank overdraft—Secured (note (iv))	84,879	922,418	
Net Current Assets			502,158
			803,157
Less:			
Deferred Liabilities			
Corporation tax payable 1st January, 1973		92,000	
Taxation equalisation account (note (v))		3,400	
			95,400
			707,757
Less:			
Secured Loan (note (vi))			135,000
NET TANGIBLE ASSETS AT 30th SEPTEMBER, 1971			572,757
Add:			
Estimated net proceeds of proposed issue of 350,000 new Ordinary Shares			207,450
ADJUSTED NET TANGIBLE ASSETS			£780,207

Notes:—

(i) Freehold property comprises the cost of the premises purchased in 1969 under an option granted in 1964.
(ii) The subsidiary companies, whose total net assets amount to £6, have not traded since incorporation. In view of the insignificant amount involved, group accounts have not been prepared.
(iii) Stocks and work in progress have been valued at lower of cost and net realisable value. Cost is represented by raw materials and direct labour together with an appropriate amount of fixed and variable factory overheads.
(iv) The bank overdraft is secured by a second fixed charge on the freehold property.
(v) The taxation equalisation account represents corporation tax at the rate of 40 per cent. on the excess of the book values of fixed assets over the corresponding written down values of such assets for taxation purposes.
(vi) The long term loan is secured on the freehold property and on the life assurance policy.
(vii) At 30th September, 1971 the Company had entered into contracts for capital expenditure amounting to £52,840, for which no provision has been made above. In addition, the Directors had authorised but not contracted for capital expenditure amounting to £20,000.
(viii) *Investment grants received are credited in total to capital reserve, from which no transfer is made to the profit and loss account.* No credit has been taken in these accounts for investment grants receivable estimated at £2,877.

3. Dividends

The Company has not paid any dividends in the 5 years and 6 months ended 30th September, 1971.

4. Accounts

No audited accounts have been made up for any period subsequent to 30th September, 1971.

Yours faithfully, TOUCHE ROSS & CO.,
Chartered Accountants.

STATUTORY AND GENERAL INFORMATION

1. The Company.—The Company was incorporated in England as a private company on 21st January, 1956. Prior to 11th November, 1971 the authorised share capital of the Company was £50,000 divided into 50,000 Ordinary Shares of £1 each, of which 26,000 such Shares had been issued and were fully paid. On 11th November, 1971 the Company: (a) sub-divided each Ordinary Share of £1 into 10 Ordinary Shares of 10p each, (*b*) increased the authorised share capital to £500,000 by the creation of an additional 4,500,000 Ordinary Shares of 10p each, (c) altered its Memorandum of Association with respect to its objects, (*d*) was converted into a public company and adopted new Articles of Association, (e) allotted credited as fully paid to existing shareholders 3,390,000 Ordinary Shares of 10p each by way of capitalisation of £339,000 of reserves and (*f*) subject to the Council of The Stock Exchange, London, granting on or before 24th November, 1971 permission to deal in and quotation for the entire share capital of the Company, issued or to be issued, resolved to issue to Hambros 350,000 new Ordinary Shares of 10p each at a price of 70p per Share, representing an aggregate subscription of £245,000, to be payable to the Company subject to such permission and quotation being granted.

2. Issue Arrangements.—Under Contract No. (1) below, subject to the Council of The Stock Exchange, London granting not later than 24th November, 1971, permission to deal in and quotation for the share capital of the Company, issued and now being issued as mentioned herein, Hambros has agreed: (*a*) to subscribe in cash for 350,000 new Ordinary Shares of 10p each at 70p per Share, (*b*) to purchase from Mr. J. Dickman a total of 1,130,000 *Ordinary Shares of 10p each of the Company at a price of 68.35p per Share and (c) to offer the resulting total of* 1,480,000 Shares for sale to the public. Under this Contract Hambros will pay an underwriting commission of 1¼ per cent. on the price at which the Shares are being offered, a fee to the brokers and Hambros' own legal costs. The Company will pay all other expenses of or incidental to this Offer for Sale and the transactions associated therewith. The expenses payable by the Company, including a fee payable to Hambros, are estimated to amount to £37,550.

The minimum amount which, in the opinion of the Directors, is required to be raised by the proposed issue of 350,000 Ordinary Shares of 10p each for the matters specified in paragraph 4 of Part 1 of the Fourth Schedule to the Companies Act, 1948 is £207,450, all for working capital.

3. Major Shareholdings.—Immediately following the Offer for Sale, the holdings of the Directors and their family interests (as defined by the regulations of The Stock Exchange, London) will be as follows (all beneficial):—

Director (including his "family interests")	*10p Ordinary Shares*
J. Dickman	1,106,350
A. Banford	234,000
E. Ouaknin	127,000
S. G. Dickman	341,350

The Directors are not aware of any other shareholdings which will represent 10 per cent. or more of the enlarged issued share capital of the Company.

Except as mentioned herein, there is no present intention to issue any of the authorised but unissued share capital of the Company and no issue of Shares which would effectively alter the control of the Company will be made without the prior approval of the members in General Meeting.

4. Taxation.—The Directors consider that immediately following this Offer for Sale the Company should not be a close company as defined in the Income and Corporation Taxes Act, 1970.

Shortfall and surtax clearances have been obtained by the Company in respect of all relevant periods to 31st March, 1971. Under Contract No. (2) below Mr. J. Dickman has given the usual taxation and estate duty indemnities.

5. Articles of Association.—The Articles of Association of the Company contain provisions (*inter alia*) to the following effect:—

(a) Subject to the provisions of the Companies Act, 1948, all or any of the rights or privileges for the time being attached to any share or class of shares may be varied or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate Meeting of the holders of the shares of the class. To every such separate Meeting the provisions of the Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be persons holding or representing by proxy one-third of the capital paid up on the issued shares of the class.

(*b*) Subject to any special rights, privileges or restrictions as to voting for the time being attached to any special class of shares, at any General Meeting on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by proxy or by a representative duly authorised under Section 139 of the Companies Act, 1948, not being himself a member, shall have one vote, and in case of a poll every member present in person or by proxy shall have one vote for every 10p nominal amount of shares of any class of which he is the holder.

(c) A Director shall not be required to hold any qualification shares.

(*d*) The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities. The Board shall secure that the aggregate amount for the time being outstanding in respect of moneys borrowed by the Company and/or any of its subsidiary companies (other than inter-company loans) shall not at any time, without the previous sanction of the Company in General Meeting, exceed an amount equal to 3 times the aggregate of the nominal amount of the share capital of the Company for the time being issued and paid up and the total of the amounts for the time being standing to the credit of the capital and revenue reserves of the Company and its subsidiaries.

(e) The remuneration of the Directors shall from time to time be determined by the Company in General Meeting and any such remuneration shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Directors as they shall agree, or, failing agreement, equally. The Directors shall also be entitled to be repaid all travelling and hotel expenses incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from Board Meetings, Committee Meetings or General Meetings, or otherwise incurred while engaged on the business of the Company. If by arrangement with the other Directors any Director shall perform or render any special duties or services outside his ordinary duties as a Director, the Board may pay him special remuneration, in addition to any fees or ordinary remuneration, and such special remuneration may be by way of salary, commission, participation in profits or otherwise as may be arranged, and shall be charged as part of the Company's ordinary working expenses.

(*f*) The Board has power to pay pensions or other retirement benefits to, *inter alia*, Directors and ex-Directors of the Company and its subsidiaries holding or who have held any salaried employment or office and their wives, widows, families and dependants.

(*g*) A Director may be appointed by the Board to any office or place of profit under the Company (except that of Auditor) for such period, on such terms and at such remuneration as the Board may determine. A Director may vote as a Director in regard to the appointment or continuance in any such office of any other Director and in regard to the remuneration of such other Director notwithstanding that he may be regarded as interested in the matter by reason that he himself also holds or may be about to hold another such office. A Director may not vote on his own appointment or the arrangement of the terms thereof.

(*h*) No Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way directly or indirectly interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised thereby, save that the nature of his interest must be declared by the Director at the meeting of the Board where the contract or arrangement is first taken into consideration or at the first meeting of the Board held after the Director became so interested: provided nevertheless that a Director shall not vote in respect of any contract or arrangement in which he is so interested and if he shall do so his vote shall not be counted. A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the terms of any such appointment are arranged or whereat any contract in which he is interested is considered.

The Articles of Association of the Company do not contain any provision to exclude the operation of Section 185 of the Companies Act, 1948 and accordingly special notice will be required of any resolution appointing or approving the appointment of a Director who is over 70 years of age.

6. *Material Contracts.*—The following Contracts (not being contracts in the ordinary course of business) have been entered into since 11th November, 1969 and are or may be material:—

(1) dated 11th November, 1971 between the Company (i), J. Dickman as vendor (ii), the Directors of the Company (iii) and Hambros (iv), being the Contract mentioned in paragraph 2 above.
(2) dated 11th November, 1971 between J. Dickman (i), the Company (ii) and Hambros (iii), being the Deed of Indemnity relating to taxation and estate duty mentioned in paragraph 4 above.
(3)—(6) dated 11th November, 1971 between the Company (i) and J. Dickman, A. Banford, E. Ouaknin and S. G. Dickman respectively (ii), being the above-mentioned Service Agreements for periods of 7 years from 11th November, 1971 at annual salaries of £15,000, £10,000, £10,000 and £10,000 respectively, together in Mr. Banford's case with an entitlement to a commission of 2 per cent. on Group pre-tax profits not exceeding £500,000 and of 1 per cent. on profits exceeding £500,000 and not exceeding £2,000,000, and in the other cases without any entitlements to commission.

7. Miscellaneous.—Save as disclosed herein: (i) since 11th November, 1969: (a) no capital of the Company or of any subsidiary has been issued nor is any such capital proposed to be issued either for cash or fully paid otherwise than for cash; and (*b*) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or of any subsidiary: (ii) no capital of the Company or of any subsidiary is under option or is agreed conditionally or unconditionally to be put under option; (iii) neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries, and (iv) no long-term Service Agreements are in existence whereby the Company would be inhibited from making such changes as it might desire in the Directorate or senior management of the Group.

8. Consent.—Touche Ross & Co. have given and have not withdrawn their written Consent to the publication of this Offer for Sale with a copy of their Report included therein in the form and context in which it is included.

9. Documents delivered to the Registrar of Companies.—The documents attached to the copy of this Offer for Sale delivered to the Registrar of Companies for registration were the written Consent mentioned above, a statement of the adjustments made by Touche Ross & Co. in arriving at the figures set out in their Report and giving their reasons therefor and copies of the above-mentioned Contracts.

10. Documents for Inspection.—Copies of the following documents will be available for inspection at the offices of Norton, Rose, Botterell & Roche, Kempson House, Camomile Street, Bishopsgate, London, EC3A 7AN, during normal business hours until 3rd December, 1971; (*a*) the audited accounts of the Company for the financial years ended 31st March, 1970 and 31st March, 1971 and the 6 months ended 30th September, 1971; (*b*) the Memorandum and Articles of Association of the Company; and (*c*) the above-mentioned Report, Statement of Adjustments, Consent and Contracts.

Dated 11th November, 1971.

APPLICATION FORM

THE APPLICATION LIST FOR THE ORDINARY SHARES NOW OFFERED FOR SALE WILL OPEN AT 10 a.m. ON THURSDAY, 18th NOVEMBER, 1971 AND WILL CLOSE AT ANY TIME THEREAFTER ON THE SAME DAY.

This Form, duly completed, together with a cheque (drawn on a bank or branch thereof in England, Wales or Scotland) made payable to "Barclays Bank Trust Company Limited" and crossed "Not Negotiable", representing payment in full at the application price, should be *lodged with Barclays Bank* Trust Company Limited, *New Issues Division*, P.O. Box No. 78, Malvern House, 72 Upper Thames Street, London, EC4P 4BJ, not later than 10 a.m. on 18th November, 1971. A separate cheque must accompany each application. No application can be considered unless these conditions are fulfilled. All cheques are liable to be presented for payment. Applicants are advised to use first-class letter rate and to allow 2 days for delivery.

FIDELITY RADIO LIMITED

(Incorporated in England under the Companies Act, 1948)

OFFER FOR SALE BY

Hambros Bank Limited

of 1,480,000 Ordinary Shares
of 10p each at 70p per Share payable in full on application

Number of Shares applied for★	*★★Amount enclosed at 70p per Share*
	£

★Applications for up to 1,000 Shares must be in multiples of 100 Shares, for between 1,000 Shares and 10,000 Shares in multiples of 500 Shares and for more than 10,000 Shares in multiples of 5,000 Shares. The minimum application is for 100 Shares. No applications for any other numbers of Shares will be considered and the right is reserved to reject any application and in particular multiple or suspected multiple applications.

★★Amounts payable as stated below.

To HAMBROS BANK LIMITED.

Gentlemen,

I/We enclose a cheque for the above-mentioned sum, being the amount payable in full on application for the stated number★ of Ordinary Shares of 10p each of Fidelity Radio Limited ("the Company"). I/We offer to purchase that number of such Shares on the terms of your Offer for Sale dated 11th November, 1971 and subject to the Memorandum and Articles of Association of the Company and I/we hereby undertake and agree to accept the same or any lesser number in respect of which this application may be accepted. I/We hereby authorise you to procure my/our name(s) to be placed on the Register of Members of the Company as holder(s) of such of the said Shares, the right to which is not effectively renounced, and to send a renounceable Letter of Acceptance in respect thereof, and/or a cheque for any moneys returnable, by post at my/our risk to the address given in the box below.

I/We understand that due completion and delivery of this Application Form accompanied by a cheque will constitute an undertaking that the cheque will be honoured on first presentation.

IMPORTANT.—To comply with the provisions of the Exchange Control Act, 1947, the applicant(s) *must* make the declaration contained in the following paragraph, or, if unable to do so, must delete such paragraph and arrange for this Form to be lodged through an Authorised Depositary* or an Approved Agent in the Irish Republic.* No application can be considered unless this condition is fulfilled.

I/We hereby declare that I am/we are not resident outside the Scheduled Territories* and am/are not acquiring the above-mentioned Shares as the nominee(s) of any person(s) resident outside those Territories.

1 ____________________ Signature. Dated____________________ 1971.

PLEASE USE BLOCK CAPITALS

Full Christian Name(s)	
Surname (Mr., Mrs., Miss or Title)	
Address (in full)	

2. Signature	
Christian Name(s) (in full)	
Surname (Mr., Mrs., Miss or Title)	
Address (in full)	

3. Signature	
Christian Name(s) (in full)	
Surname (Mr., Mrs., Miss or Title)	
Address (in full)	

Please pin your cheque here — **A Corporation may complete under hand by a duly authorised officer who should state his representative capacity.**

NO RECEIPT WILL BE ISSUED FOR THE PAYMENT ON APPLICATION, but an acknowledgement will be forwarded through the post in due course, at the risk of the applicant(s), either by a fully paid Letter of Acceptance for all or part of the Shares applied for, or by the return by cheque through the post of the application money or any surplus thereof.

***EXCHANGE CONTROL ACT, 1947**

Authorised Depositaries are listed in the current issue of the Bank of England's Notice E.C.1, and include Banks and Stockbrokers in, and Solicitors practising in, the United Kingdom or the Channel Islands. Approved Agents in the Irish Republic are defined in the current issue of the Bank of England's Notice E.C.10.

The Scheduled Territories at present comprise: The British Commonwealth (except Canada and Rhodesia), the Irish Republic, British Trust Territories, British Protectorates and Protected States, Bahrain, Iceland, the Hashemite Kingdom of Jordan, Kuwait, Libya, Qatar, South Africa and South West Africa, Western Samoa, the Peoples' Democratic Republic of Yemen.

★★Amounts payable on application

100 Shares	£70	500 Shares	£350	10,000 Shares	£7,000
200 Shares	£140	1,000 Shares	£700	15,000 Shares	£10,500
300 Shares	£210	2,000 Shares	£1,400	20,000 Shares	£14,000
400 Shares	£280	5,000 Shares	£3,500	and so in proportion	

هكذا من الأصل

THE WEEK IN THE COURTS

The law of obscenity is now further confused

BY JUSTINIAN

OCIETY'S aim to control offen-ive publicstions has hardly een helped hy the Court of ppesl's decision in the Oz case. /e are further, rather than earer, to solving the age-old uestion of where we are to draw ie line between permissible and npermissible publications.

The modern law in England is xpressed in the form of legal ontrol proscribing obscene lerature, defined since 1868 with minor modifications in the bscene Publications Act, 1959) any article which in its effect a whole tends to deprave and rrupt those who are likely to ad, sec or hear the matter con-ined in it.

efinition

Much of the confusion in the plication of the law stems from e word "obscene" and its de-ition. In other enactments, e the Post Office Act, 1953, scenity has its ordinary dic-mary meaning, and in any ent the offence is committed the postal packet contains any decent article: an indecent ticle is not necessarily obscene, t an obscene article is always decent.

Obscenity in this context vers a multitude of sins. And ere are at least grounds for nking that the Oz editors have oint when they claim that the thorities used the law for the rpose of sustaining the moral cepts of society. The editors wedly advocate the change of se precepts: in that sense, the flict between prosecutor and secuted may be described as itical.

Historical evidence tends to port that contention. Through ages man has been moved to press books largely out of r of social and political dis-tion. A glance at a list of ned books displays the rmous variety of books out-ed, usually on grounds that y constituted heresy or were tically objectionable. The ives were, not unnaturally, ed. But many books were elled "obscene" although were scarcely that by the nary meaning of the word. Gulliver's Travels" was once ned in Ireland as being ene and detrimental to both ernment and morals. Hans ersen's "Fairy Tales" were ned by the Tsar Nicholas I, also suppressed "Uncle 's Cabin" and "The Scarlet er," Jack London's "The Call e Wild" was banned in Italy Yugoslavia.

ntil the Victorian era bawdi- at least was never sup-sed. Censorshin was con-cerned with those books which had a political character—poli-tical in its widest sense, to in-clude ecclesiastical thought. The mediaeval church set its face against heresy rather than obscenity. Boccaccio with his "Decameron," Chaucer, Rabelais, Shakespeare and Goethe repre-sented the heights in the literary art and expression of bawdiness. It was only with the introduction of Swiftian "smut" that obscenity fell foul of public opinion, and ultimately the law.

The examples of suppression are legion: in modern times it has only been the innate good sense of those empowered to bring prosecutions that has kept the banning of written works within tolerable bounds. That indefatigable advocate for law reform, Sir Alan Herbert, who died last week, demonstrated in his "Uncommon Law" the lengths to which a prosecutor might, before the 1959 Act, successfully have struck down serious literary works.

He cited the example of a public schoolmaster having to answer an application for a destruction order of the Greek and Latin classics. The magis-trate's remarks might be as follows: "We have read with particular repugnance the record of the alleged god Zeus, whose habit it was to assume the shape of swans, bulls and other animals, and, thus disguised, to force his unwelcome attentions upon defenceless females of good character."

A spate of prosecutions in the mid-1950s, when reputable pub-lishers were taken to court for publishing risqué novels like "The Philanderer" and "Lolita," led to one important change in the law. Obscene books could be published with impunity if it was for the public good, on literary, sociological or medical grounds. It was this sensible reform that has para-doxically led to much of the present confusion.

Expert evidence

The 1959 Act specifically pro-vided that the accused could call expert evidence of the literary or sociological merit of his work. Since then experts have trotted into the witness box not only to testify to the public worth of the work on trial but also to its lack of obscenity. That practice was endorsed in a case in 1968.

But now that ruling has in effect been reversed. (Expert evidence which bears no relation to the defence of "public good" but is directed to showing that the article is not obscene (as was so much of the evidence adduced at the Oz trial) is no longer to be admissible. Juries will have to judge the obscene quality of the article unaided by expert views. In fairness to Lord Widgery and his two judicial brethren in the Court of Appeal, their ruling on this score was only interpreta-tive of the Act, and they recog-nised that it might be an un-necessarily restrictive attitude—but that was a matter for Parlia-ment.

The other change, which has prompted confusion in the obscenity law, was also a by-product of sensible reform. It had been the practice of prose-cutors to single out passages in a book and seek condemnation of the whole work. The trial of "Lady Chatterley's Lover" was a prime example. The 1959 Act underlined the law's attitude that the article had to be seen as a whole. A novel had to be read from cover to cover and not dissected.

Separate items

That was fine for the book. But what about a magazine or news-paper comprising lots of separate items? Was the publi-cation to be damned because a news item taken by itself was obscene? Again the Court of Appeal, on a literal reading of the 1959 Act, ruled that, unlike the publisher of a novel, the magazine publisher—who had a far greater discretion on what to include or leave out—was to have his publication judged under the item-by-item test. Hence the wealth of undeniably inoffensive and positively good material in Oz sank under the weight of a minority of offensive articles.

There are no easy solutions to the problem of censorship. Once the Danish solution of licensing all publications (and only con-trolling the mode of displaying offensive material) is rejected, any dividing line is bound to be troublesome. The subject needs deep study before the law's appropriate response can be sug-gested. But one thought is worth injecting into the current debate.

The written word calls for some imagination on the part of the reader; the pictorial demands no mental application, only imita-tion. Was it the cartoons in Oz rather than the verbal advocacy that really offended? Do reading, seeing and hearing have equal effect upon the reader, the viewer or the listener? If not, at least one line can be drawn which would have implications for those media that are visual rather than verbal.

APPOINTMENTS

Philip Hill Investment Trust chief

Mr. Bryan R. Basset has been appointed managing director of PHILIP HILL INVESTMENT TRUST from May next year to succeed Mr. Brian A. C. Whitmee, who is to reduce his commitments but will continue as a vice-chair-man. Mr. Basset will resign his partnership with Panmure Gordon and Co., stockbrokers, to take up his new post.

*

Mr. Owen P. Connellan has joined the Board of ARTAGEN PROPERTIES as an executive director.

*

Mr. Michael Stoddart has been elected a director of CABLE TRUST. He is a managing direc-tor of Singer and Friedlander and a director of C. T. Bowring and Co.

*

Mr. Peter Gormley, previously vice chairman has become man-aging director of FESTIVAL INTERNATIONAL RECORDS in place of the late Mr. Mike Sloman. Mr. Eddie Jarrett has been made a director and Miss Vicki Walton international director. The new controller of Artistes and Reper-toire is Mr. Peter Hebbes.

*

Mr. Clive E. Dixon has joined the Board of ROBERT HUDSON AND SONS (PTY.), a member of the Robert Hudson Group. He is deputy chairman of Jessel Properties.

*

Mr. Ronald Clarke, circulation sales manager of the Daily Mirror, has been appointed director of promotions and publicity of the IPC NEWSPAPER DIVISION. The new circulation sales manager of the DAILY MIRROR will be Mr. Cyril Davidson, currently circula-tion sales manager of Sporting Life and Reveille. They will both take up their new jobs on Decem-ber 1.

*

Mr. Arthur Brittenden, until recently Editor of the Daily Mail, has been appointed managing director of WIGMORE CAS-SETTES. Chairman of the Board is Mr. Ian Hunter.

*

Dr. Norman J. Harper, group director of research and develop-ment, and chief executive of the Sterling-Winthrop Research Divi-sion, has been elected to the Board of STERLING-WINTHROP GROUP.

*

Mr. John Clewer, managing director of Aerosols International, has been appointed to the Board of JEYES GROUP.

*

Mr. J. B. Rorke has joined the Board of WOLSEY as a director for sales and marketing. Mr. John Raven is now responsible as a director for the ladies' lingerie and underwear divisions.

*

PRIVATE SECRETARY TO MINISTER

Mr. James Prior, Minister of Agriculture, Fisheries and Food, has appointed Mr. J. W. Hepburn, 33, to be his private secretary from November 15 in succession to Mr. D. Evans, who is being pro-moted.

Metrication "should keep prices down"

METRICATION should help to keep prices down, Mr. Gordon Bowen, director of the Metrica-tion Board, said yesterday.

If shops and companies used the change-over as an excuse to force prices up they would be hoodwinking the public.

"I am quite prepared to believe there are people who will seize on metrication in this way, but it has nothing to do with the facts of commercial life," he said.

Britain should be fully metric by 1975.

Mr. Bowen said costs might go up—"but there is no justifica-tion for saying it is because of the change-over itself.

"If metrication is well managed, it will lead to in-creased efficiency which should result in prices being lower than they otherwise would have been.

"I think this is quite possible, especially if metrication is used properly in conjunction with decimalisation. But it all depends on the skill of management and the effectiveness of their de-cisions."

Mr. Bowen said the next stage depended on when the Govern-ment placed its legislative pro-posals, covering a whole new range of goods, before Parlia-ment. They would be contained in a White Paper. The public would then be told about them in a national publicity campaign.

Potato surplus cost £18m.

THE 1970 potato surplus of 1,336,000 tons cost £18,219,843 to buy off the market, says the annual report of the Potato Mar-keting Board to-day.

The Government paid £12,715,593, and the remainder was met by the Board. The Gov-ernment is also faced with a deficiency payment of £4,504,453 on the crop because the average market price was well below the guaranteed price.

This left £1m. to be charged to the Board's Market Support Fund.

The buying programme was needed because a record yield of 11.3 tons an acre brought a crop of 6,987,000 tons.

"This was far more than was required to meet a rate of de-mand which, at 188 lbs per head of the population, showed no recovery from the relatively low level of the previous year," says the report.

More than 600,000 tons of the surplus was sold as stockfeed, but no market could be found for nearly 700,000 tons. Heavy yields this year have again brought a potato surplus, but the Board says it will not be so large as last year. A support buying programme has already started.

Conference to discuss farm marketing

By Our Commodities Staff

The National Farmers' Union's latest idea for strengthening the marketing capability of farmers is to be discussed at a special conference on November 29. Those invited are expected to include leaders of the milk, potato, wool and hops marketing boards as well as representatives of the major agricultural co-operatives and the three U.K. farmers' unions.

The NFU recently agreed to back the idea of central bodies to strengthen the marketing of produce not yet covered by producer-controlled marketing boards.

A copy of this Offer for Sale, having attached thereto the documents mentioned herein, has been delivered to the Registrar of Companies for registration.
Application has been made to the Council of The Stock Exchange, London for permission to deal in and for quotation for the whole of the issued share capital of the Company.
The Application Lists for the Ordinary Shares now offered for sale will open at 10 a.m. on Thursday, 18th November, 1971, and will close on the same day.

Bernard Matthews Limited

(Incorporated under the Companies Act, 1948)

SHARE CAPITAL

Authorised		*Issued and to be issued fully paid*
£1,250,000	in 5,000,000 Ordinary Shares of 25p each	£1,000,000

The Company has outstanding an unsecured bank overdraft, which on 29th October, 1971 amounted to £297,930.

Save as aforesaid and apart from inter-company indebtedness and guarantees, neither the Company nor any of its subsidiaries has outstanding any mortgages, charges, debentures, bank or other similar indebtedness, hire purchase commitments or guarantees or other material contingent liabilities.

Kleinwort, Benson Limited

Offer for Sale of 1,600,000 Ordinary Shares of 25p each at 100p per share

payable in full on application

The Ordinary Shares now offered for sale will rank in full for all dividends hereafter declared or paid on the Ordinary Share Capital of the Company. However, it is not the intention of the Directors to recommend any dividends in respect of the 53 weeks ending 2nd January, 1972.

DIRECTORS

BERNARD TREVOR MATTHEWS, *(Chairman and Managing Director)*, Great Witchingham Hall, Norwich, Norfolk, NOR 65X.

STANLEY SUTHERLAND SMITH, M.A. (Hons.), "Half Acre", The Street, Taverham, Norwich, Norfolk, NOR 53X.

CHRISTOPHER JOHN HARRY SIMPSON, B.Sc. (Hons.), M.I.Biol., The Old Rectory, Aylsham, Norwich, Norfolk, NOR 07Y.

ROBERT ALEXANDER NICOLL NAPIER, B.Sc.(Agric.), Dip.Anim.Genetics, Ph.D., "Auchnacree", Weston Longville, Norwich, Norfolk, NOR 59X.

STANLEY ALFRED BRIGGS, F.C.W.A., A.C.I.S., Flint Cottage, Guist, East Dereham, Norfolk.

MICHAEL CARSEY CHITTOCK, M.C., 56B Cathedral Close, Norwich, Norfolk, NOR 16P.

SECRETARY AND REGISTERED OFFICE

STANLEY ALFRED BRIGGS, F.C.W.A., A.C.I.S., Great Witchingham Hall, Norwich, Norfolk, NOR 65X.

BROKERS

JAMES CAPEL & CO., Winchester House, 100 Old Broad Street, London, EC2N 1BQ and The Stock Exchange, London.

AUDITORS AND REPORTING ACCOUNTANTS

DIXON, WILSON & CO. *(Chartered Accountants)*, Gillett House, 55 Basinghall Street, London, EC2V 5EA.

SOLICITORS

To the Company: DAYNES, CHITTOCK & BACK, 57 London Street, Norwich, Norfolk, NOR 01E.

To the Offer: THEODORE GODDARD & CO., 16 St. Martins-le-Grand, London, EC1A 4EJ.

BANKERS

BARCLAYS BANK LIMITED, 30 London Street, Norwich, Norfolk, NOR 11E.

RECEIVING BANKERS AND TEMPORARY REGISTRARS

KLEINWORT, BENSON LIMITED, Registration and New Issues Department, 13 Rood Lane, London, EC3M 8BB.

REGISTRARS AND TRANSFER OFFICE

BARCLAYS BANK TRUST COMPANY LIMITED, Registration Division, P.O. Box No. 123, 2 London Wall Buildings, London Wall, London, EC2P 2BU.

HISTORY AND BUSINESS

Mr. Bernard Matthews first started in business as a breeder of turkeys in Norfolk in 1950. The business progressed and in 1955 Great Witchingham Hall and some 36 acres of land were acquired. In 1959 the Company was formed and acquired this business from Mr. Matthews.

The Company was a pioneer in developing the year-round, as opposed to seasonal, production of turkeys and as a result of continuous research, development of breeding programmes and expansion of the growing and processing aspects of the business, the Company has now developed to what is believed to be the largest integrated turkey producer in Europe. Production now exceeds two million birds per annum, a substantial proportion of which are sold under its own registered trade mark "Norfolk Manor".

Every aspect of the integrated production of turkeys is undertaken by the Company, from the breeding of pedigree birds through to the processing and freezing in oven-ready form. The Company also carries out extensive research and development into all aspects of turkey production.

Sales and Marketing

In each of the last ten years approximately 90 per cent. of the Company's sales have been in the form of frozen oven-ready turkeys. The balance of the Company's sales have been in fresh turkeys, both whole and in cut portions, and also in breeding stock and hatching eggs for commercial growing stock.

Over this period the annual availability of turkeys in frozen and fresh form in the United Kingdom is estimated by the Company to have increased from approximately 5½ million birds in 1962 to 13 million in 1970. This represents an overall rate of expansion of the order of 11 per cent. per annum.

Sales by the Company have not only kept pace with the growth of the industry, but in recent years the Company has significantly increased its share of the turkey market. In respect of 1970 the Company estimates that its sales represented approximately 17 per cent. of the total turkey market and 22 per cent. in frozen oven-ready form.

The growth of the market for turkeys can largely be attributed to two factors: First, the overall reduction in price as compared with continuous increases in the price of red meats and second, the development of sales at times other than Christmas, in particular at Easter and other holiday periods. For example, consumption of turkeys at Christmas is now believed to represent about 50 per cent. of total annual consumption, whereas in earlier years this amounted to as much as 80 per cent. In addition, there has been a considerable increase in recent years of sales throughout the year and the sale of turkey in cut portions has expanded. As the original producer of the "mini" turkey, which weighs between 5 and 7 lbs., the Company has played an important part in the development of these markets.

The Company sells to approximately one hundred customers, sales being almost equally divided between the wholesale and retail trades. Among the famous high street outlets served by the Company are Baxters (Butchers), the Co-op, Dewhurst, Fine Fare, Mac Fisheries and J. Sainsbury. The Company also serves major meat and poultry wholesalers and a range of frozen food wholesalers and mail order houses including Littlewoods. No single customer took more than 15 per cent. of total sales in respect of 1970.

The Company's sales policy is to contract on a forward basis for the major part of its output and sales are generally made two to four months ahead of production. Over 90 per cent. of the 1971 production has already been sold.

Apart from consumer products mentioned above, the Company has built up over the years sales of turkey breeding stock and technology. Over the last three years in particular, export sales have been substantially expanded and at present the Company has a major share of the turkey breeding stock market in Hungary and Yugoslavia, as well as exporting to many other European countries.

Breeding, Research and Development

The Company has been engaged in the scientific breeding of turkeys since 1959 and during that time has developed the internationally accepted Matthews Ten-30 strain, which combines high reproductive performance with good meat production. This strain, which is used by the Company is also sold as mentioned above.

As protection against loss through disease, the breeding flocks for the production of eggs, which are distinguished from the commercial growing flocks, are held at ten widely dispersed sites, six of which are provided by local farmers with whom the Company has contractual arrangements.

In addition to the breeding research programme, the Company has a team of some 25 people involved in environmental and nutritional research, which covers in particular the design and management of turkey rearing houses and the formulation of turkey feeds in respect of both the breeding and commercial growing flocks. The Company rents an IBM computer which is installed at Great Witchingham Hall and on which all research data is both recorded and analysed.

A health laboratory is also maintained, controlled by a professional bacteriologist assisted by qualified staff. This laboratory undertakes the constant surveillance of the health status of both the growing and the breeding birds and examines the effectiveness of all cleaning and hygiene procedures.

Hatchery

The hatchery, which is situated in the grounds of Great Witchingham Hall, is equipped with modern machinery and has a capacity to incubate 110,000 eggs per week. It has its own water conditioning plant, central heating system, and stand-by generating plant so that a failure of the electricity supply cannot jeopardise the incubation process.

Rearing

The Company has developed and built turkey rearing houses in which light, ventilation and temperature can be closely controlled at optimum levels for stock comfort and efficient production. After the initial brooding stage, watering and feeding is automatic.

The turkey rearing houses are situated on 5 separate sites, all of which are within 25 miles of Great Witchingham Hall. The growing of turkeys in a controlled environment has led to a significant reduction in production costs. As far as possible each of the Company's rearing sites is sub-divided into small groups of houses operated on an all-in, all-out basis so that the presence at the same time of both young and old birds on a site is kept to a minimum.

Processing

The Processing Plant is situated in the grounds of Great Witchingham Hall. It has an annual capacity for processing 2¼ million oven-ready turkeys and a cold store with a capacity to hold 200,000 turkeys. The Company intends to expand this plant during 1972 at a cost of some £300,000 which will not only allow for a greater volume of production of oven-ready turkeys but will also provide extra capacity for producing turkey meat in other forms.

MANAGEMENT AND STAFF

Mr. Bernard Matthews, the founder of the business, is the present Chairman and Managing Director. He is 41 years of age and has spent most of his working life in the business. He has recently been elected as the Chairman of the British Turkey Federation and is also the Chairman of the local Board of the Commercial Union Assurance Company Limited.

As the Company has developed, Mr. Matthews has built up a management team covering each of the various activities of the Company. The Directors in charge of the Company's main activities are described below.

Mr. S. Sutherland Smith, aged 53, is Director of Marketing and has been with the Company for 8 years.

Mr. C. J. H. Simpson, aged 45, is Production Director and has been with the Company for 8 years.

Dr. R. A. N. Napier, aged 39, is Director in charge of the Breeding Division and has also been responsible for genetic and environmental research during his period of 10 years' service with the Company.

Mr. S. A. Briggs, aged 52, is Financial Director and Secretary; he has been with the Company for 7 years.

Mr. M. C. Chittock, solicitor, aged 56, is a non-executive Director and a partner of Daynes, Chittock & Back, the Company's legal advisers; he has been a Director for 8 years.

The Company employs approximately 460 people. Labour relations are good and by virtue of its location the Company is fortunate in the traditional Norfolk stockmanship skills of its farm staff.

A Profit Sharing Scheme is in operation for some 42 executives and managers, including executive directors, and is based on the return on capital employed. There is also an optional contributory pension fund and life assurance scheme, which was established in 1963 and is available to all monthly paid staff.

LAND AND BUILDINGS

The Company owns the freehold of Great Witchingham Hall, most of which has been converted to office accommodation. However, one wing is occupied, rent free, by Mr. and Mrs. Matthews and their family.

The Company owns freehold land at 9 sites all of which are within 25 miles of Great Witchingham Hall and amount in total to 944 acres.

Eighty-nine turkey houses, purpose-built by the Company's own building division, are situated on the above sites. The houses are of timber and asbestos construction on concrete bases and have a total floor area of 1,700,000 sq. ft.

The Processing Factory, which was built between 1960 and 1963, has a floor area of approximately 51,000 sq. ft. and includes a cold store with a capacity of 250,000 cu. ft.

WORKING CAPITAL

The Directors are of the opinion that, taking into account the bank facilities which are available, the Company has sufficient working capital available for its present purposes.

PROFITS, PROSPECTS AND DIVIDENDS

The results of the Company for the 11 financial periods ended 27th December, 1970, together with the results for the 28 weeks ended 11th July, 1971 and the net tangible assets at that date, are dealt with in the Accountants' Report. Particular reference is made in that Report (Note *(a)* of the section dealing with Turnover and Profits) to the results for the first four financial periods ended 30th April, 1964. As a consequence of the compulsory slaughter of healthy birds mentioned in that Note, the Company had to reorganise its breeding programme and the results for the following 20 months ended 2nd January, 1966 continued to be adversely affected.

During the last five years sales have increased from £2 million in 1966 to £3.5 million in 1970 and profits before tax from £41,000 to £374,000. Over the same period there has been a substantial reduction in production cost per lb. of turkey. This reduction has been achieved mainly by the successful formulation through nutritional research of lower cost turkey feeds (which represent approximately 50 per cent. of the total cost of producing turkey in oven ready form), the introduction of controlled environment rearing houses for both breeding and growing flocks and the elimination of contract growing of commercial birds by outside farmers. The development of the Company's turkey breeding programme has also resulted in a major reduction in the cost of producing day-old turkey chicks.

The profits before tax for 1970 would have been significantly higher but for the widespread outbreak of fowl pest which occurred in the autumn of 1970 and affected some of the Company's growing flocks. At that time the only vaccine permitted to be used by the Ministry of Agriculture was of the inactivated type and this failed to give adequate protection to young birds. The Company has since co-operated with the Ministry to develop an effective vaccination policy, which includes the use of live vaccines and, as a result, there is now evidence to suggest that turkeys can be vaccinated to give protection against fowl pest.

The audited accounts for the first 28 weeks to 11th July, 1971 show a profit before tax of £165,579, which is considerably in excess of the profit shown by the management accounts for the corresponding period in 1970. The rate of profits shown in the first half is, however, not indicative of that for the year as a whole since the major part of the Company's annual profits are earned in the second half.

On the basis of the audited figures for the first 28 weeks and the results as indicated by the management accounts up until the end of October, the Directors expect that in respect of the 53 weeks ending 2nd January, 1972, although sales by volume will be approximately the same as those for 1970, sales by value will exceed £4,000,000 and that, in the absence of unforeseen circumstances, the profits before tax will be in excess of £700,000. This increase in profits over the previous year is primarily accounted for by increased selling prices due to more favourable market conditions.

Although it is too early to make a forecast of profit for 1972 the Company is already expanding its production and is anticipating lower overall costs due both to a larger volume and further economies arising from continued research and development into all aspects of turkey production. Following this year's excellent harvest, the Company has been able to make certain forward contracts for the supply of feed stuffs at favourable prices and it is anticipated that there will be a significant reduction in total feed costs per lb. in 1972. In addition to its plans to expand sales of oven ready turkey and turkey portions, the Company is promoting sales of breeding stock in egg form in Europe, which is a new development for the Company.

It is not the intention of the Directors to recommend any dividends in respect of the 53 weeks ending 2nd January, 1972. However, in relation to this level of profits it would be their intention to pay in respect of the following financial period an interim dividend in October, 1972 of 10 per cent. and a final dividend in May, 1973 of 15 per cent., making a total of 25 per cent.

The appropriation of the profits of the Company would, therefore, be as follows:—

	£
Profits before taxation	700,000
Less: Corporation tax at 40%	280,000
Profits after tax	420,000
Less: Dividends totalling 25% (6.25p per Share) on the issued Ordinary Share Capital of £1,000,000	250,000
Retained	£170,000

On this basis the gross dividend would be covered 1.68 times by profits after taxation, and at the offer price of 100p per Ordinary Share the price/earnings ratio and dividend yield would be 9.52 and 6.25 per cent. respectively.

ACCOUNTANTS' REPORT

The following is a copy of the Report by the Company's auditors and the reporting accountants Dixon, Wilson & Co.:—

Gillett House, 55 Basinghall Street,
London, EC2V 5EA

The Directors,
BERNARD MATTHEWS LIMITED and
KLEINWORT, BENSON LIMITED

11th November, 1971.

Gentlemen,

We have examined the audited accounts of Bernard Matthews Limited and of its subsidiaries (together called "the Group") for the eleven accounting periods ended 27th December, 1970 and the period of 28 weeks ended 11th July, 1971. All the subsidiaries are wholly owned. We have been auditors of the Company and of its subsidiaries since 1967.

We report as follows:—

1. TURNOVER AND PROFITS

The turnover and profits of the Group, arrived at on the basis set out below, were as follows:—

	Turnover (1) £	*Depreciation* (2) £	*Profits before Taxation* (3) £
The 4 years ended 30th April, 1964	See Note (a) below		
Period ended			
31st December, 1964 (8 months)	1,665,841	58,847	65,074
2nd January, 1966	2,023,302	92,279	5,451
1st January, 1967	2,008,021	88,029	40,985
31st December, 1967	3,233,583	80,720	253,759
29th December, 1968	2,674,802	94,517	230,993
28th December, 1969	3,161,987	104,580	265,650
27th December, 1970	3,509,459	138,190	324,083
11th July, 1971 (28 weeks)	1,584,554	84,014	165,579

Notes: (a) Under the authority of the Diseases of Animals Act, 1950 whereby the Minister of Agriculture, Fisheries and Food could order the slaughter of poultry (which included turkeys) in places where fowl pest had been diagnosed, orders were made on certain of the Group's sites in respect of both breeding and growing turkeys in each of the four years ended 30th April, 1964. Compensation was received for healthy birds slaughtered, a substantial part of which related to mature breeding birds maintained by the Group for breeding purposes and not for the purposes of sale. Normal trading activities were, as a consequence, materially disrupted during this period. The turnover of the Group, excluding compensation, for each of these years ended 30th April was:—1961 £309,295; 1962 £452,485; 1963 £771,269 and 1964 £1,349,329.

It is not possible to reconstruct what the results for each of these four years would have been in the absence of the stock losses, which were material in relation to the size of the flocks then maintained. The results for this period, including compensation received, would have no relevance to normal trading in any one year and would therefore be misleading. Over this period the net assets of the Group increased by £462,353.

(b) Turnover in column (1) represents sales to outside customers after making such adjustments as we consider appropriate.

(c) Profits shown in column (3) are stated before taxation but after charging all operating expenses including depreciation, as shown in column (2), interest and Directors' emoluments and after making such adjustments as we consider appropriate.

(d) The figures of depreciation in column (2) have been adjusted to reflect a consistent basis throughout the period covered. No depreciation is provided on the cost of freehold land or on the freehold of Great Witchingham Hall and the modifications thereto for office purposes.

(e) The aggregate amount of the emoluments of the present directors of the company paid for the period ended 11th July, 1971 was at the annual rate of £41,798 including the entitlement of four directors from the Profit Sharing Scheme in respect of the accounting period ended 27th December, 1970 of £3,048: under the arrangements now in force the emoluments would be at the annual rate of approximately £50,300 including an estimate of the entitlements from the Profit Sharing Scheme for the current accounting period ending 2nd January, 1972 of £11,250.

2. NET TANGIBLE ASSETS AS AT 11th JULY, 1971

The net tangible assets of the Company and of the Group based on the Balance Sheets as at 11th July, 1971 were:—

COMPANY £	COMPANY £		GROUP Cost £	GROUP Depreciation £	GROUP Net £
		Fixed Assets			
136,813		Freehold Land	136,813	—	136,813
53,650		Buildings	70,133	16,483	53,650
137,311		Processing Factory	193,306	55,995	137,311
501,958		Poultry Houses and Equipment	955,011	453,053	501,958
123,594		Plant, Machinery and Equipment	348,010	224,416	123,594
50,548		Motor Vehicles	64,167	13,619	50,548
1,003,874			1,767,440	763,566	1,003,874
		Unquoted Trade Investments			
27,317		At Cost *less* amount written off			27,317
		Interests in Subsidiaries			
	169,214	Shares at cost less amounts written off			
	519,100	*Less:* Amounts owing to subsidiaries			
(349,886)					
		Current Assets			
	1,065,470	Stocks at lower of cost and net realisable value		1,065,470	
	254,784	Debtors		254,784	
	1,465	Cash		1,465	
	1,321,719			1,321,719	
		Deduct: Current Liabilities			
	448,207	Bank Overdraft	449,207		
	378,282	Creditors	378,282		
	29,067	Current Taxation	45,171		
	856,556			872,660	
465,163		Net Current Assets			449,059
1,146,468					1,480,250
	62,000	*Deduct:* Corporation Tax (payable 1st October, 1972)		62,000	
	24,000	Taxation Equalisation Reserve		24,000	
86,000					86,000
£1,060,468		Net Tangible Assets			£1,394,250

NOTES:—

(a) Investment Grants received have been deducted from the cost of Fixed Assets shown above.

(b) Taxation Equalisation Reserve represents Corporation Tax at 40% on the difference between the net book value of fixed assets ranking for capital allowances and their corresponding written down value for taxation purposes.

(c) Commitments for capital expenditure not provided for including expenditure authorised but not contracted for amounted to £6,500 at 11th July, 1971. Rentals payable in the future on leasing agreements, with three year primary period terms, for plant and equipment amounted to approximately £21,000.

(d) The bank overdraft shown above was at 11th July, 1971 secured. Facilities have since been arranged on an unsecured basis and the security has been released.

3. DIVIDENDS

No dividends have been paid on the Company's issued Ordinary Share Capital in respect of any of the last five financial periods ended 27th December, 1970 or in respect of the period ended 11th July, 1971.

4. ACCOUNTS

No audited accounts of the Company or its subsidiaries have been prepared for any period subsequent to 11th July, 1971. The next accounts for submission to members in General Meeting will be those in respect of the 53 weeks ending 2nd January, 1972.

Yours faithfully,
DIXON, WILSON & CO.,
Chartered Accountants.

STATUTORY AND GENERAL INFORMATION

CAPITAL HISTORY

1. The Company was incorporated in England on 8th April, 1959 as a private company under the name Farmgma Limited, which was changed to its present name by resolution dated 30th June, 1959.

2. Prior to 3rd August, 1970 the authorised share capital of the Company was £100,000 divided into 100,000 Ordinary Shares of £1 each, all of which were issued credited as fully paid. On that date the authorised share capital was increased to £115,777 by the creation of 15,777 Ordinary Shares of £1 each all of which new Ordinary Shares of £1 each were issued, credited as fully paid, on that date as consideration under contract (iii) below.

3. On 11th November, 1971 the 115,777 Ordinary Shares of £1 each were sub-divided into 463,108 Ordinary Shares of 25p each, the authorised share capital was increased to £1,250,000 by the creation of a further 4,536,892 Ordinary Shares of 25p each and 3,536,892 Ordinary Shares were issued by way of capitalisation of share premium account and reserves. On the same date the Objects Clause of the Memorandum of Association of the Company was altered and the Company adopted new Articles of Association whereby it became a public company.

AGREEMENT WITH KLEINWORT, BENSON LIMITED

Under contract (i) below, Kleinwort, Benson Limited have agreed, subject to permission to deal in and for quotation for the whole of the issued Ordinary Share Capital of the Company being granted by the Council of The Stock Exchange, London, on or before 19th November, 1971, to purchase from the vendors 1,600,000 Ordinary Shares at a price of 98p per Share in the following proportions: B. T. Matthews (500,000), J. K. Matthews (500,000) and M. C. Chittock and P. Scarfe, the trustees of settlements made by B. T. and J. K. Matthews (600,000), with a view to such Shares being hereby offered for sale at 100p per Share. Kleinwort, Benson Limited will pay an underwriting commission of 1¼ per cent. on the offer price of each Share and a fee to the brokers. The costs, charges and expenses of and incidental to this Offer for Sale, including the increase of the Company's authorised share capital, the application for permission to deal in and for quotation for the issued Ordinary Shares, the adoption of new Articles of Association, all accountancy and legal expenses and a fee payable to Kleinwort, Benson Limited, are estimated to amount to £45,000 and are payable by the Company.

ARTICLES OF ASSOCIATION

The Articles of Association of the Company contain, *inter alia*, provisions to the following effect:—

(A) On a show of hands every member who, being an individual, is present in person, or, being a corporation, is present by a representative or proxy not being himself a member, shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder.

(B) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

(C) The Directors shall limit borrowings by the Company and/or any of (so far as the Company's powers of control can procure) its subsidiaries to an amount equal to 1½ times the aggregate of (a) the amount paid up or credited as paid up on the share capital of the Company, and (b) the total of the capital and revenue reserves (as defined) of the Company and its subsidiaries.

(D) The Directors shall be paid out of the funds of the Company such remuneration for their services as Directors as they shall from time to time determine but at a rate not exceeding £2,500 per annum for each Director. The Company in General Meeting may vote extra remuneration to the Directors, in respect of any financial year which shall (unless otherwise directed by the Resolution by which it is voted) be divided amongst the Directors as they shall agree or, failing agreement, equally and in proportion to the portion or portions of such financial year during which they shall have held office respectively.

(E) The statutory provisions as to age limit for Directors apply to the Company.

SUBSIDIARIES

The Company has no subsidiaries which currently carry on business.

DIRECTORS' AND OTHER INTERESTS

1. Upon completion of Contract (i) the interests of the Directors and their families (as defined by the regulations of The Stock Exchange, London) in the Ordinary Shares of 25p each of the Company will be as follows:—

	No. of Ordinary Shares *Beneficial*	No. of Ordinary Shares *Other*
B. T. Matthews	2,375,000	—
S. Sutherland Smith	5,000	—
C. J. H. Simpson	5,000	—
R. A. N. Napier	5,000	—
S. A. Briggs	5,000	—
M. C. Chittock	5,000	117,823†

†This holding is also included under B. T. Matthews' beneficial interests.

Save as aforesaid there are not any individual holdings of 10 per cent. or more of the Ordinary Share Capital of the Company.

2. None of the Directors of the Company has a Service Agreement with more than 12 months to run either with the Company or any of its subsidiaries.

3. Mr. Chittock is a partner in Daynes, Chittock & Back, the Company's Solicitors, who will receive a fee for their services in connection with this Offer for Sale.

MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into within the period of two years immediately preceding the date of this Offer for Sale and are or may be material:—

(i) Dated 11th November, 1971 between B. T. Matthews, J. K. Matthews, M. C. Chittock and P. Scarfe (1), the Company (2) the Directors (3) and Kleinwort, Benson Limited (4) being the agreement with Kleinwort, Benson Limited referred to above.

(ii) Dated 10th June, 1970 between F. N. Oray (1) and the Company (2) for the sale to the Company of freehold land whereunder the vendor has the right to subscribe for Ordinary Shares of the Company to a value of £6,000 on the terms of this Offer for Sale. B. T. Matthews has undertaken to the Company that in the event of any exercise by the vendor of such right he will satisfy any obligations of the Company by selling to the vendor on the terms of this Offer for Sale the number of shares for which the vendor makes application.

(iii) Dated 31st July, 1970 between the Company (1) and M. C. Chittock and P. Scarfe (2) whereunder the Company agreed to acquire the 30 per cent. of the issued share capitals of four subsidiaries of the Company not then owned by it in consideration of the issue, credited as fully paid, of 15,777 Ordinary Shares of £1 each of the Company.

(iv) Dated 15th October, 1971 between the Company (1) and B. T. Matthews (2) whereby B. T. Matthews purchased from the Company certain furniture and paintings situated at Great Witchingham Hall for £2,085.

GENERAL

1. It is expected that, following this Offer for Sale and on the basis of the information now available, the Company will not be a "close company" as defined in Section 282 of the Income and Corporation Taxes Act 1970.

2. No part of the proceeds of this Offer for Sale is payable to the Company and no amounts are required to be raised for any of the purposes mentioned in paragraph 4 of Part 1 of the Fourth Schedule to the Companies Act, 1948.

3. Clearance was obtained under Section 28 of the Finance Act 1960 (now Section 460 of the Income and Corporation Taxes Act 1970) in respect of the transaction referred to under contract (iii) above. Clearances under Section 252 of the Income Tax Act, 1952 and Section 289 of the Income and Corporation Taxes Act 1970 have been obtained, as appropriate, for all relevant periods up to 27th December, 1970 in respect of the Company and its subsidiaries. The Company has been given the usual indemnities against estate duty and taxation.

4. Neither the Company nor any subsidiary has any litigation or claims of any material importance pending or threatened against it.

5. Save as disclosed herein, no share or loan capital of the Company or any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option.

6. Save as disclosed herein no share or loan capital of the Company or any of its subsidiaries has within the two years preceding the publication of this Offer for Sale been issued or is proposed to be issued either for cash or otherwise.

7. Save as disclosed herein no commissions, discounts, brokerages or other special terms have been granted by the Company or any of its subsidiaries in connection with the issue or sale of any part of their respective share or loan capitals.

DOCUMENTS ON DISPLAY

Dixon, Wilson & Co. have given and have not withdrawn their written consent to the issue of this Offer for Sale with the inclusion therein of their Report and references thereto in the form and context in which they are included.

The above-mentioned consent, a statement of the adjustments made by Dixon, Wilson & Co. in arriving at the figures set out in their Report and the reasons therefor, and copies of the Contracts listed above have been attached to the copy of this Offer for Sale which has been delivered to the Registrar of Companies for registration.

Copies of the following documents may be inspected at the offices of Theodore Goddard & Co., 16 St. Martins-le-Grand, London, EC1A 4EJ, during usual business hours on any weekday, Saturdays excepted, for a period of fourteen days following the date of publication of this Offer for Sale:—

(i) the Memorandum and Articles of Association of the Company;

(ii) the audited consolidated accounts of the Company and its subsidiaries for the two accounting periods ended 27th December, 1970 and for the twenty-eight weeks ended 11th July, 1971;

(iii) the Material Contracts listed above; and

(iv) the Report of Dixon, Wilson & Co., their statement of adjustments and their written consent.

11th November, 1971.

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Bill for boosting jobs prospects £1,600m.—Carr

BY ALEX HENDRY, LABOUR REPORTER

MR. ROBERT CARR. Secretary for Employment, yesterday listed the "massive catalogue" of measures—costing more than £1,600m.—taken by the Government to reduce unemployment.

He told a Young Conservative conference at Bournemouth: "All our actions have been designed to get the economy out of its six-year rut, to get it on the move again and so to create more jobs and more wealth for all of us. We shall not cease until we have succeeded."

Later this week the national unemployment figures will be published and could be more than 900,000. Last month showed 886,552 unemployed. The steady increase, averaging 18,000 a month over the past six months, triggered the TUC campaign that will culminate with a mass rally and lobby of Parliament next week.

Regional rallies have been held throughout the country. Over the week-end, three took place—in Belfast, Rochester and Cardiff.

In Rochester, Mr. Tom Jackson, general secretary of the Union of Post Office Workers, said: "This will be the worst Christmas we have had, the worst our children have seen—the blackest since the war."

In Cardiff, Mr. Alf Allen, general secretary of the Union of Shop, Distributive and Allied Workers, told a rally: "We say that full employment must take priority over all other national objectives."

Preparations for the final rally next week include a call to 250,000 engineers in London and the South East to stop work for the afternoon and take part in the demonstration against unemployment. Delegations from all over the country are expected to attend the rally.

Like the Government, they have given the problem of unemployment "first priority" status. On their side, trade unions have been discussing overtime bans, shorter working weeks and opposition to redundancies to try to ease the problem.

Mr. Carr yesterday explained the Government's programme which includes £1,400m. in tax reductions, £40m. to modernise homes in development areas, £160m. for a crash programme of public works in the same area, and £70m.-worth of navy shipbuilding orders to help employment particularly in Scotland and the North East.

He said consumer credit restrictions had been cut away, Bank Rate had been reduced to the lowest level since the last Conservative Government, training programmes had been expanded with particular attention to the needs of young people, and the Government was urgently looking at Young Conservative ideas for finding community work for unemployed young people.

Mr. Carr went on: "This is a massive catalogue of measures—of action already taken."

Earlier, he had said: "The present crisis in unemployment is part of an inheritance. It is the bitter fruit of uncontrolled wage inflation stimulated by the Labour Government in an attempt to win the last election coming on top of the six years of economic stagnation over which they presided.

"But it doesn't matter who is to blame. All that matters is to attack the problem. This we are doing."

PROPERTY SOLD FOR £500,000

L. Frankenberg has sold its freehold and long-leasehold interest in 37 Houndsditch/19 Bevis Marks, London, E.C.3 to Haslemere Estates, for about £500,000, to be converted and modernised for office purposes.

Warning by pilots to BEA

BEA'S 1,400 pilots appeared at the week-end to be setting a course for a head-on clash with the airline.

A letter from the BEA Pilots' Council in the British Airline Pilots' Association warns them to put financial affairs in order ready to withstand a period of possible unemployment. Capt. Don Laing, the Council chairman, says they will now prepare to withdraw all co-operation with BEA from April 1 next.

The pilots expect the airline to retaliate with a "lock out." So, in order to give themselves time to prepare financially, they have delayed their action for over four months. Capt. Laing also says in his letter that passengers will have time to book on other airlines.

The dispute ranges over many grievances, including pay, meal allowances and survival training.

Tyne tugboat men return to-day

By Our Own Correspondent

SOUTH SHIELDS, Nov. 14.

THE TYNE'S 65 tugboat men return to work to-morrow following the settlement of their strike which began on October 29 and laid up the river's tug fleet. Agreement on the men's pay claim was reached at talks in Newcastle yesterday and was accepted by the men here to-day.

The tugboat men originally claimed increases of about 44 per cent. They stopped work after refusing an offer of 10 per cent. Delegates would not say to-day what increase they had won, but it is believed to be around 30 per cent.

The North East Coast Tugboatmen's Association said agreement had been reached on a wages scale giving a guaranteed minimum level of basic earnings and certain adjustments for overtime work. It also provided for a review within the next 12 months of the working system in Tyne tugs.

IATA begins probe on profitability

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE INTERNATIONAL Air Transport Association — the world's "airline parliament"— has begun a major economic study designed to pinpoint problems and indicate ways of achieving satisfactory profitability.

It will be a wide-ranging and forward-looking study, according to Mr. Knut Hammarskjold, director-general of IATA, and will cover all factors affecting the world air transport industry's economic performance.

A preliminary report is planned for next March "which will outline possible options open to the industry and various avenues that might be explored which, taken together, could lead to improved profitability."

Objectives

Mr. Hammarskjold discloses the airlines' plan in his annual review of the world air transport industry, to be presented to-day to IATA's annual meeting in Honolulu.

Among the objectives the industry ought to have are, he says:

1. Achievement of an adequate return on capital;
2. A "lean and hard management philosophy with heavy emphasis on innovation, improved efficiency and productivity";
3. Improved cost controls with particular stress on indirect costs;
4. Greater harmonisation of collective industry marketing policies, including the development of new approaches to meet demands for low fares;
5. Improved methods of establishing passenger fares and cargo rates, and a simplification of the fares and rates structure;
6. Improved long-term corporate planning, leading to the better matching of capacity with demand; and
7. Collective industry strategic planning on appropriate subjects.

Mr. Hammarskjold says every effort must be made to minimise the effects of the "cyclical fluctuations" experienced by the industry.

"Although upwards and downwards movements in the level of economic activity have been less frequent and less pronounced over the past 20 years, their present impact on the now much more developed air transport industry is much greater, making it more difficult to achieve stable industry growth," he says.

Favourable

But long-term economic prospects, he believes, should provide a generally favourable base for the development of air transport.

Most Governments are committed to policies of economic growth, despite current monetary and other difficulties. "An expanding world economy and rising affluence, along with other favourable socio-economic trends such as rising education and greater leisure time, should provide a sound basis for the future demand for air service, in the absence of adverse political and economic developments."

SHEEPBRIDGE SHORT-TIME WORKING

Short-time working begins to-day for about 100 men in the sand foundry at Sheepbridge Engineering, Chesterfield. The Amalgamated Union of Engineering Workers has persuaded the management to accept work sharing instead of introducing about 50 redundancies in the sand foundry. A union official said that for the men it would mean alternate weeks at work and on the dole.

Bernard Matthews Limited—*continued*

PROCEDURE FOR APPLICATION

Applications must be made on the accompanying Application Form and, with the exception of employees' applications (which are referred to below), must be for a minimum of 100 shares or a multiple thereof up to 2,000 shares, thereafter in multiples of 500 shares up to 5,000 shares, thereafter in multiples of 1,000 shares up to 20,000 shares and thereafter in multiples of 5,000 shares.

Each application must be accompanied by a separate cheque for the full amount payable on application and must be forwarded to KLEINWORT, BENSON LIMITED, REGISTRATION AND NEW ISSUES DEPARTMENT, 13 ROOD LANE, LONDON, EC3M 8BB, SO AS TO ARRIVE NOT LATER THAN 10 A.M. ON THURSDAY, 18TH NOVEMBER, 1971. Cheques, which must be drawn in sterling on a bank in and be payable in England, Scotland or Wales, must be made payable to "Kleinwort, Benson Limited" and be crossed "Not Negotiable". All cheques are liable to be presented for payment on receipt. Due completion and delivery of the Application Form accompanied by the necessary cheque will constitute an undertaking that the cheque will be honoured on first presentation and attention is drawn to the declaration on the Application Form to this effect. Kleinwort, Benson Limited reserves the right to retain all Letters of Acceptance and surplus application moneys pending clearance of all applicants' cheques, and to reject any application (and in particular multiple or suspected multiple applications) or to accept any application in part only.

Preferential consideration will be given to applications made by Executive Directors and employees of the Company up to a maximum of 160,000 Ordinary Shares, if made on the special pink Application Forms provided. Such applications must be for a minimum of 50 shares.

Acceptance of applications will be conditional upon the Council of The Stock Exchange, London, granting on or before 19th November, 1971, permission to deal in and quotation for the whole of the issued Ordinary Capital of the Company. Moneys paid in respect of all applications will be returned if such permission and quotation are not granted by that date and in the meantime will be retained by Kleinwort, Benson Limited in a separate account.

No receipt will be issued for the payment on application, but an acknowledgment will be forwarded in due course at the applicant's risk, either by way of a fully paid Letter of Acceptance for all or part of the shares applied for, or by the return by cheque through the post of the application moneys or any surplus thereof.

Letters of Acceptance will be renounceable up to and including Friday, 17th December, 1971, and the Ordinary Shares now offered for sale will be registered free of stamp duty in the names either of the original applicants or of the persons in whose favour Letters of Acceptance have been renounced provided that, in the case of renunciation, Letters of Acceptance (duly completed in accordance with the instructions contained therein) are lodged for registration on or before Friday, 17th December, 1971.

Share certificates will be available for collection from Barclays Bank Trust Company Limited, Registration Division, 2, London Wall Buildings, London Wall, London, EC2P 2BU on Monday, 3rd January, 1972. In the event that these certificates are not collected before Friday, 14th January, 1972, they will be automatically despatched by ordinary post to the registered holder or, in the case of joint holdings, the first named holder at the risk of the registered holder(s).

Copies of this Offer for Sale with Application Forms may be obtained from:—

KLEINWORT, BENSON LIMITED,
Registration and New Issues Department, 13 Rood Lane, London, EC3M 8BB.

JAMES CAPEL & CO., Winchester House, 100, Old Broad Street, London, EC2N 1BQ.

BARCLAYS BANK TRUST COMPANY LIMITED,
New Issues Division, P.O. Box 78, Malvern House, 72, Upper Thames Street, London, EC4P 4BJ.

BARCLAYS BANK LIMITED,
P.O. Box 36, Bank Plain, Norwich, NOR 70A, and 30, London Street, Norwich, NOR 11E.

THE APPLICATION LIST WILL OPEN AT 10 a.m. ON THURSDAY, 18th NOVEMBER, 1971, AND WILL CLOSE ON THE SAME DAY.

Bernard Matthews Limited

(Incorporated under the Companies Act, 1948)

OFFER FOR SALE
BY
KLEINWORT, BENSON LIMITED
of 1,600,000 Ordinary Shares
of 25p each at 100p per share
payable in full on application

APPLICATION FORM

To: KLEINWORT, BENSON LIMITED

Gentlemen,

Number of shares for which application is made	*Amount of cheque enclosed*
	£

Applications must be made for a minimum of 100 shares or a multiple thereof up to 2,000 shares, thereafter in multiples of 500 shares up to 5,000 shares, thereafter in multiples of 1,000 shares up to 20,000 shares and thereafter in multiples of 5,000 shares.

I/We enclose a cheque for the above-mentioned sum, being the amount payable in full at 100p per share on application for the above-stated number of Ordinary Shares of 25p in the Company and I/we offer to purchase that number of shares upon the terms of your Offer for Sale dated 11th November, 1971 and subject to the Memorandum and Articles of Association of the Company and I/we hereby undertake and agree to accept the same or any lesser number of shares in respect of which this Application may be accepted. I/We hereby authorise you to procure my/our name(s) to be placed on the Register of Members of the Company as holder(s) of the said shares so far as they have not been effectively renounced and to send a renounceable Letter of Acceptance in respect thereof, and/or a cheque for any moneys returnable to me/us by ordinary post at my/our risk to the address first given below.

I/We understand that due completion and delivery of this Application Form accompanied by a cheque will constitute an undertaking that the cheque will be honoured on first presentation.

IMPORTANT.—To comply with the provisions of the *Exchange Control Act, 1947, the Applicant(s) must make the Declaration contained in the following paragraph, or, if unable to do so, must delete such paragraph and arrange for this Application to be lodged through an Authorised Depositary* or an Approved Agent in the Irish Republic.* No application can be considered unless this condition is fulfilled.

I/We declare that I/we am/are not resident outside the Scheduled Territories* and am/are not acquiring the shares as the nominee(s) of any person(s) resident outside those Territories.

Signature. Dated ________ 1971

PLEASE USE BLOCK CAPITALS

Christian Name(s) (in full)

Surname and designation (Mr., Mrs., Miss or Title)

Address (in full)

(2) Signature ________ (3) ________

Christian Name(s) (in full) ________

Surname ________
(Mr., Mrs., Miss or Title)
Address (in full) ________

Please pin cheque here

ALL JOINT APPLICANTS MUST SIGN

A Corporation should sign under the hand of a duly authorised officer who should state his representative capacity.

This Application Form should be completed and forwarded to Kleinwort, Benson Limited, Registration and New Issues Department, 13 Rood Lane, London, EC3M 8BB together with a cheque for the full amount payable so as to arrive not later than 10 a.m. on Thursday, 18th November, 1971.

A separate cheque must accompany each Application Form.

Cheques, which must be drawn in sterling on a bank in and be payable in England, Scotland or Wales, must be made payable to "Kleinwort, Benson Limited" and crossed "Not Negotiable". No application will be considered unless these conditions are fulfilled. All cheques are liable to be presented for payment.

No receipt will be issued for the payment on application, but an acknowledgment will be forwarded in due course at the applicant's risk, either by way of a fully paid Letter of Acceptance for all or part of the shares applied for, or by the return by cheque through the post of the application moneys or any surplus thereof.

*EXCHANGE CONTROL ACT, 1947

Authorised Depositaries are listed in Appendices I and II of the Bank of England's Notice EC1, and include Banks and Stockbrokers in, and Solicitors practising in, the United Kingdom or the Channel Islands.

An Approved Agent in the Irish Republic is defined in the Bank of England's Notice EC 10 (Third Issue), as amended, as a bank in the Irish Republic, a member in the Irish Republic of a Stock Exchange in the Irish Republic or of the Provincial Brokers' Stock Exchange or a Solicitor practising in the Irish Republic.

The Scheduled Territories at present comprise:—The British Commonwealth (except Canada and Rhodesia), the Irish Republic, British Trust Territories, British Protectorates and Protected States, Bahrain, Iceland, the Hashemite Kingdom of Jordan, Kuwait, Libya, Qatar, South Africa and South West Africa, Western Samoa, and the People's Democratic Republic of Yemen.

INTERIM STATEMENTS

Redland Limited

INTERIM STATEMENT

The estimated group results (which are unaudited) for the half-year ended 30th September, 1971, were as follows:—

	Half year ended 30.9.71		Half year ended 30.9.70		Year ended 31.3.71	
			All figures in £000's			
TURNOVER (excluding inter-company sales):—						
Sales in the United Kingdom	24,081		22,144		41,377	
Exports from the United Kingdom	270		223		584	
Sales by overseas subsidiaries	12,219		7,920		23,487	
	36,570		30,287		65,448	
GROUP PROFIT FOR THE PERIOD BEFORE TAXATION						
After all charges and expenses:—						
United Kingdom operating subsidiaries	2,641		1,664		2,348	
Overseas operating subsidiaries	2,188		884		3,621	
Associated companies overseas—share of profits, less losses, attributable to group companies	762	5,591	592	3,140	1,204	7,173
ESTIMATED TAXATION:—						
On profits of United Kingdom and overseas subsidiaries	2,175		1,193		3,196	
On share of profits of associated companies	400	2,575	278	1,471	575	3,771
		3,016		1,669		3,402
PROFITS ATTRIBUTABLE TO OUTSIDE SHAREHOLDERS IN SUBSIDIARIES:—						
Subsidiaries profits	620		257		891	
Share of profits of associated companies	25	645	21	278	16	907
Profits attributable to Redland Limited		2,371		1,391		2,495

The Directors are of the opinion that the results for the twelve months ending 31st March, 1972 will show a substantial improvement over those of the previous year, but they do not expect the percentage improvement in the second half of the year to be as great as that shown for the first half.

NOTES

1. The group profit has been arrived at, and is presented, in a similar manner to that adopted for the annual accounts, but the current half-year's figures are subject to audit and year-end adjustments. The results include those of the European subsidiaries and associates for the half-year ended 30th June, 1971, which have been converted into sterling at current rates of exchange.
2. Taxation comprises United Kingdom corporation tax calculated at 40% of the taxable profits, and the figures for the half-year ended 30th September, 1970, have been adjusted to this rate. Overseas taxes have been calculated at the current rates.
3. The estimated profits are after charging, for the half-year ended 30th September, 1971, depreciation amounting to £1,847,000 (1970 £1,645,000) and interest payable of £821,000 (1970 £816,000).

MARTIN-BLACK LIMITED

Group (unaudited) results for the half year to 30th June, 1971

	Half Years to 30th June, 1971	Half Years to 30th June, 1970	Year to 31st December, 1970
TURNOVER	£2,393,600	£2,147,000	£4,298,874
Gross Trading Profit	£ 304,900	£ 263,500	£ 569,412
Less:			
Depreciation	60,200	55,700	112,866
Interest Payable	34,700	25,300	69,832
Net Trading Profit	210,000	182,500	386,714
Add:			
Investment Income	—	—	11,526
Profit Before Taxation	210,000	182,500	398,240
Estimated Taxation	89,000	79,000	174,380
	£ 121,000	£ 103,500	£ 223,860

In the four months which have elapsed since 30th June, 1971, Order Intake and Sales have shown a downward trend which reflects the lower levels of heavy industrial activity in U.K. and in some of our Overseas Markets. It is difficult to forecast any significant improvement for the remainder of the current year, but there are signs of some restoration of demand for 1972.

The Directors, however, are reasonably confident that the full results for 1971 should be at least comparable with those of 1970, and, with the general liquidity of the Group showing improvement, are proposing to raise the Interim Dividend by one-half per cent to 4¼%—although this does not necessarily indicate an increase in the total dividend to be paid for the year which must of course depend upon the final results.

The Interim Dividend will be paid on 14th December, 1971, to Shareholders on the Register at close of business on 22nd November, 1971.

12th November, 1971.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● POWER

Portugal's atom industry

LONDON - BASED Burmot Engineering Consultants, offspring of Burns and Roe Inc of New Jersey, U.S. and Motor-Columbus Consulting Engineers, Baden, Switzerland, bas been appointed to carry out an extremely important series of tasks connected with the establisbment of a Portuguese domestic infrastructure able to order and operate nuclear stations. The company will also take a close look at domestic industries to assess their ability to supply nuclear station components and will belp suitable industrial companies to prepare themselves to manufacture atomic equipment.

Junta de Energia Nuclear (JEN) has retained the group as consultants on the country's plans for the introduction of atomic stations. Growing power demand, previously met in the main from bydro-electric generation, must be satisfied increasingly in the future by thermal generation.

Competitive

JEN bas been discussing ways of introducing new thermal and nuclear plant with various other Government departments and with the electric utility, Companhia Portuguese de Electricidade (CPE). The results of the study sbow that under local conditions, a nuclear plant in the size 500 to 600 MWa will be competitive with fossil fuel plants.

The planned programme aims at a system capacity of about 3,500 MWe by 1978 and this would allow for a first nuclear plant hy 1979.

This implies tbe placing of an order in 1973-74. The initial order would be followed hy further contracts at intervals of two to three years and the rate of ordering would mean that on present growth curves practically all new capacity added after 1980 would be nuclear.

Specifically, two contracts have been signed between JEN and the engineering consultants. They require the latter to set up a reactor licensing authority in Portugal and to develop evaluation standards and procedures.

Burmot is also required to test the ability of Portuguesa industry to contribute to the national nuclear power programme and belp local companies to snpply equipment to the right standards.

Portuguese autborities bope to make rapid progress from tbeir current knowledge of hydro-power units thanks to the experience of Burns and Roe on the U.S. market and tbe close acquaintance with the European market earned by Motor-Columbus.

As one of the EFTA countries, Portugal could be expected to draw a considerable amount of equipment, if not basic reactor designs from Britain. But her neighbour, Spain, bas consistently adopted U.S. technology, apart from a large natural uranium reactor developed jointly with France.

It seems unavoidable that in view of tbe backgrounds of the consultants, only those companies which can offer proven designs and are prepared to band over a considerable amount of fabrication to local industries are likely to have a chance of success. Nevertheless, because of the regular orders whicb the company's expansion requires, It would be well worth while for U.K. builders to make a particular intensive effort in Portugal, so often described as Britain's oldest ally.

● ELECTRONICS

Coils made without winding

INGENIOUS modification of a not too satisfactory process has enabled **Plessey Windings** to perfect and patent a technique for the manufacture of printed inductive coils of very high thermal and mechanical stability. A special advantage of the method is the bigb inductance levels attained which are of the order of 100 times better than those achieved with other printing systems.

Hitherto, coil etching has resulted in rather crude devices with poor performance. But improvements in etching techniqnes have allowed developers to produce fine lines and spaces.

In the Plessey work the lines are seven thousandths of an inch across and the spacing between is the same. At the same time, they are possible to produce economically.

The process, now perfected, involves the etching of interconnected coils on each side of a strlp of copper-covered polyester and then folding the strip, concertina style, so that all the coils are brought vertically in lina in layers one above the other. Insulation is inserted hetween the folds and the assembly is then bonded and profiled by cutting away the excess material from the corners and the centre.

The unit produced in this way can be mounted directly on printed circuit beards or integrally with them, providing a device with high resistance to humidity as well as sbock or vibration.

Major advantages are claimed for repeatability and accuracy and the total number of turns end tapplng positions can be controlled to within a few degrees instead of the normal turn or half-turn. Seven sizes are available in the range 9mm to 50mm diamater.

Variations between samples of both inductance and aelf-capacitanca are greatly reduced.

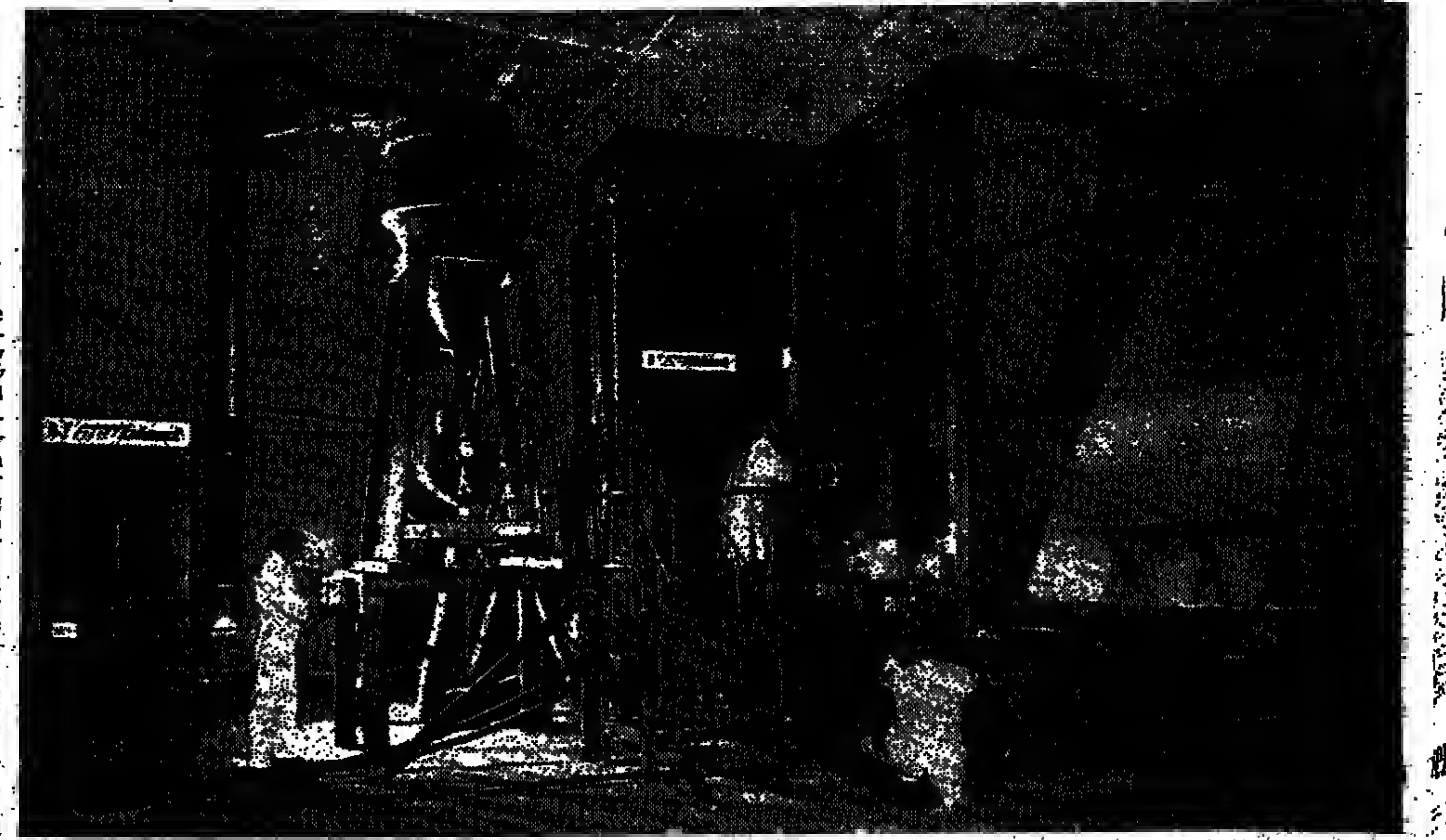
The technique, developed specifically to meet military requirements, has resulted in a new standard of accuracy which must be welcome in commercial applications. The company is at Vicarage Lane, Ilford, Essex.

High output amplifier

LINEAR integrated circuit type TBA915 by Mullard is an audio amplifier that can give an output of up to 500 MW. It is intended for use in hattery-operated communications equipment such as pocket portable receivers and miniature transmitter-receivers where small battery size is important.

Under typical operating conditions, the circuit normally takes a current of 2.5 mA wheo quiescent, hut a "squelch" facility can reduce this to merely 400 micro amps.

The bigh freqnency response of the TBA915 can be adjusted by means of capacitance in the feedback path.



This automatic, entirely compressed air operated shot-peening plant has been designed and built by Vacu-Blast, of Slough, Bucks., for Fokker N.V., in Holland. It is the largest plant of its type ever built by Vacu-Blast, having 28 blast nozzles, 24 of which are automatically indexed over the full surface area to achieve uniformity of peening. The remaining nozzles are supplied at fonr separate external operator positions. Components to be treated are wing skins for which stress relief is of major importance. The panels are loaded on a powered trolley at an angle of 15 degrees to vertical and they pass in front of the nozzle bank at which point peening occurs. After each pass, the nozzle bank is raised until the entire surface has been treated. Extremely small glass spheres are used as the blast media and the power unit for the installation constantly recovers and re-grades them to a high degree of accuracy. Re-grading of the beads is carried out by a special air-wash system incorporated in the machine.

● COMPUTERS

VAT bottleneck

CONCERN at delay in the release of information on tax rates and the degree of accuracy required in calculations on VAT from Government sources is mounting in the data processing industry among computer operators and in the bureau and software worlds.

Business Equipment Trade Association has now disclosed that it bas been pressing for prompt disclosure of details.

It has warned the authorities responsible that unless the British version of VAT is going to be far simpler than that of its prospective Common Market partners, business will be faced with heavy expense in the new accounting aystem during the early stages.

Even if all information required by computer managers is released now, there is going to be a rush job in re-programming or replacing computing and accounting equipment at present in use.

There is likely to he a bottleneck in the demand for the services of the software houses and the computer bureaux, just as there was in the case of decimalisation.

Richard Harington, director-general of BETA, has said of the situation that indnstry had five years warning of the introduction of decimal currency and at least three years warning of all the details needed for accounting equipment and casb registers to be replaced or modified. In many ways the introduction of VAT was more complex than decimalisation, hut if legislation were delayed till the 1972 Finance Bill next spring and the tax was still expected to become operative in 1973, industry would have a scant 12 months warning, or even less, of the details without which planning could not even atart.

H-6000 is a winner

ORDERS for more than 100 large-scale Series 6000 computer systems, valued in excess of £75m., are reported by Honeywell. The total is in addition to an order for nine systems with an option for 26 more from the U.S. Department of Defense for the Worldwide Military Command and Control System (WWMCCS), valued at over £20m., an order which aroused cooslderable comment because of its appareot massive discount when it was disclosed a few weeks ago.

Shipments of the first Series 6000 systems began two weeks ahead of scbedule. The first four systems were installed and put into full operation within two weeks after shipmeot.

Product development group of Ford Motor Company installed the first production model and its dual-processor Model 6080 system will be used primarily to provide time-sharing and batch computer services for up to 3,500 Ford engineers, designers and product development personnel.

The system, wben fully implemented by the end of 1972, is expected to provide ahout 50 per cent. greater performance at about balf the cost of the three computers now aerving the same development group.

About 200 remote terminals, 150 of them witbin a six-mile redius of the Dearborn-based computer, will be tied into the system over communications lines to provide interactive remote processing of engineering and design functions and applications.

● DRAUGHTING

No need for computers

THE tremendous effort put into the development of computers for drawing office applications may bave been wasted if a device invented by John Moore, mathematics lecturer at Oxford Polytechnic, lives up to its expectations.

He bas produced a theory which he calls "spin draugbting" and a company bas been formed to utilise this principle in a new draughting machine. The device rapidly prodnces object views from any angle, perspective views from any angle; or arbitrarily chosen plane sections—work which either takes a long time in tbe drawing office or can be carried out oe a properly programmed computer. Even then the computer print out usually has to be transferred to drawing sbeets.

The savings in time where this machine is used to produce architectural drawings, technical illustrations, or difficult engineering drawings is stated to be in the order of 95 per cent. At a demoostration at a car body manufacturer Mr. Moore was able to produce in 1½ hours body panel drawings whicb normally take the drawing office 2½ days to produce.

The machine is simple and would cost about £1.50 to manufacture. The patent is owned by Analogue Projections (Oxford), of Burcot Park, Clifton Hampden, near Abingdon, Berks. This company suggests the device shonld be hired to users rather than sold outright, as there is no relationship between the cost of production and the savings that can be achieved by its use in a drawing office. The device is simpla to use and unskilled staff can prodnce drawings that would otherwise have to be produced stage by stage hy highly skilled draughtsmen or technical artists.

Such are the savings in expensive design office time that the company suggests the machine would justify a hire charge of at least £200 p.a. The company is seeking a licence in the U.K. large enough to handle the production and leasing of the machine on a world-wide hasis.

Accurate copies of artwork

L.T.W. Electronics, a company initially financed by Technical Development Capital, bas recently installed and commissioned one of its Digimat 4840 digitising systems at Ferranti's Wythenshawe factory.

The system is used in conjunction with a newly designed antomation auite and Ferranti's own precision artwork generator called Adam, for the production of master artwork for up to 12 layer printed circuit artwork.

The Digimat was custom-designed and huilt to Ferranti's requirements and is used to digitise draugbtsmen's rougb layouts and organise tbe data on an accurate grid pattern while sequentially adding functions into the generated data format.

The hardware is designed to accept from the operator a sequence of valid operations only, and in keeping witb thia "safe data" mode it also makes certain safety checks during digitising.

The magnetic detent feature, wbicb is unique to the Digimat and is considered to be an advance in digitiser ergonomics, gently locks the cursor onto the grid lines during positioning, but is automatically inhibited while traversing the design area. The linear encoders and precision ground flat rails in each axis eliminate gear trains or servo mechanisms. This in turn leads to minimal wear, improved reliability, higher operating speeds and the eliminatioo of re-calihration.

L.T.W. is at North Street Congleton, Cheshire, CW12 1HH

Improving oil rig designs

EARTHQUAKES, burricanes a storm waves are being simulat by computer to help marine gineers design large offshore drilling platforms.

Brown and Root, an engine ing and construction company Houston, Texas, is using an I System/370 Model 155 to p cess the huge volumes of d required to analyse these la and complex structures. Ope ing with Brown and Ro "Oceans" (Offshore and C Engineering Analysis Sys program) the system anal platform design and evalu the strength of assemblies are to be subjected to se storms. The system can ana a platform containing sev thonsand components under simulated effects of ocean wa currents, hurricanes, sei disturbances and shifts in ocaan floor.

The computer has the s needed to analyse platforms will be placed in 300 to 500 of water, and, with Oceans, aid in developing platforms could be located 1,000 feet a the ocean floor, abla to su many tons of oil drilling e ment.

● PRODUCTS

Spring with high energy

BASICALLY a clock or spiral power spring reverse bent by residual atress pre-forming, a spring has been developed by Tensator, Tickford Street, Newport Pagnell, Bncks., which is claimed to have a number of advantages ovar conventional springs.

The spring has a quick kick-up (high torque) on first or second turn because back bending of pre-forward formed and residually stressed material allows the use of a large arbor. The torque/revs curve is relatively flat terminating in low torque when fully wouod.

Use of a large arbor permits a thinner strip material for a given torque requirement, whicb results in lowered working stresses in the spring strip at the arbor end, and a consequent increase in fatigue life. It also allows a smaliar case size, as a given torque/turns requirement can be obtained with less material—alternatively for a given case size revolutions will be greater.

It is stated that the design provides a higber energy: weight ratio, and that the torque level is well meintained tbrougb tha life of the spring. Typical uses include: safety belt rewind; cable and hose rewind; typewriter carriage return; door closers; cine camera drives; blind rewind; or any application requiring a clockwork mechanism. These springs, called Hi-Start, bave fatigue lives up to 5m. cycles compared to the usual drive spring life of 5,000 tn 20,000 cycles.

● POLLUTION

Demand for specialised instruments

TIGHTER controls over effinant discharge, bigher costs of industry's water supplies and much more involvement by authority in the supervision of the nation's water reserves, will all come into play in creating a far greater demand than hitherto for instruments to measure water pollution.

A survey condncted by SIRA and released this morning examines the role of instrumentation up to 1980 on the basis of field studies and interviews as well as the centre's own experience.

It puts the market for chemical monitoring instruments at £1.8m. in 1975, against £800,000 in 1970, and it expects the total market to he £3m. in 1980. This is for chemical instruments alone and excludes costs of communication systems, installation, and so on.

The reaction to rising costs by industry is expected to better effort to treat an circulate water. Exclnding ing water for power station bill is expectad to doubl £40m. in the decade. In llel, pressure on existing plies will bring about a fu increase in water re-use, means that waterworks an tribution services will ne maintain far closer control ever before.

The market for air poll instruments is not expect grow quite so fast, though undoubtedly will be a re ment for exhaust monit units and for closer wat urban pollution. The fact the Scandinavian countries already protested against B sulphur dioxide carried their forests to tha detr of the timber crop may mately force the offend mainly the CEGB throug massive power station sta to monitor and control emi closely.

The detailed report, totals over 30,000 words an tains 38 tables, is available Sira Institute's publish Ovum, 22, Gray's Inn London WC1 8HT—at a c £24.

هكذا من الاصل

Building and Civil Engineering

A touch of Venice

ONE of the features of the 261-bedroomed hotel being built at Stratford-upon-Avon for Lex Services Group at a cost of £2m. is the creation of a canal leading from the River Avon past the hotel linking it with the Shakespeare Theatre.

The possibility of a ferry service to take hotel guests directly to the theatre by way of the canal is under consideration. Called the Stratford-upon-Avon Hilton, it will be operated by Hilton International.

Of reinforced concrete frame construction with brick cladding and a feature of e local stone facie on the main ground floor elevations, tha 4-storey building will be air-conditioned.

A cooference ball, private dining rooms, restaurants, shops and bars are to be provided as well as a cocktail bar overlooking tha Avon. Expected to be open during March, 1973, the hotel was designed by Sidney Kaye, Eric Firmin and Partners. The consulting and co-ordinating engineers are Trocoll Cementation Engineering.

Landscaping, designed by Jelicoe and Coleridge, is also incinded in Cementation Building's contract.

Overlooking the sea

TWO housing contracts, with a combined value of £934,000, awarded to Holland Hannen & Cubitts (North West), involve the ose of the Lowton Cubitt method of building. Larger of the two, calls for 131 bouses at Peulwys Lane, Old Colwyn, for the Borough of Colwyn Bey. Cubitts will begin work on the £621,000 project this month. The houses will occupy e hilltop site overlooking the sea and the estate will contain mainly five-person houses.

A start is elso to be made this month on 94 Lowton Cubitt flats at Alexandra Mount, Litherland, Lancs., repreaenting the fourth phase of e development for Litherland Urban District Council. The buildings will be two- and three-storeys higb. About 600 Lowton Cubitt dwellings have heen built for Litherland and the new contrect brings the total value of this work for the council to more than £2m.

Factory for small tools

AT Wilderspool Causewey in Warrington, Lancs., a 50,000-square-foot factory for the manufacture of engineers' and precision files by Peter Stubs is being built by Gilbert Asb.

A two-storey office block of 10,000 square feet is also to be put up on the same site to accommodate the administrative departments of two other companies in the James Neill Holdings group. Tbe project also includes a single-storey building to house e welding school, lecture room and canteen.

The factory which replaces the existing premises in Scotland Road in the centre of the town, is scheduled to be finisbed by next September, at a total cost of £450,000. Architects are Harry S. Fairburst and Son.

Two jobs in Australia

TWO contracts together worth £2.1m. for projects in Sydney just received by Costain (Australie) Pty. include a nine-storey office building for Macquarie Properties Pty.

Designed by Peddie Thorp and Partners with Ove Arup and Pertners as consulting engineers, the office block is located in Sussex Street, Sydney. Work bea just begun for completion in 53 weeks.

At Castle Hill, Sydney, the company is to build a five-storey residential block for Church of England Retirement Villages. The £950,000 building designed by architects Noel-Bell-Ridley Smith also with Ove Arup as consulting engineers, is to be finished within a year.

Assessing the results

TO eneble it to assess more eccurately the financial response to its various fund raising efforts, Sbelter, the national campaign for the homeless, is now using Wates Computer Services.

Shelter constantly needs to analyse the response from different sections of the public to its appeals in order to obtain the best results from its expenditure. Of the four services examined Wetes's wes considered the best overall package et the lowest cost.

The service will eneble the charity to analyse general income resulting from intensive area publicity; distribution systems for Christmas cards; recording of local bousing associations costs and rent structures.

In the past Shelter was only using computers as giant eddressing machines, but now it's flexible system controls its 80,000 mailing list for the Shelter newspaper.

Footbridge links shops and car park

TO SPAN one of Bristol's busiest roeds, e 120-ft. long Tubewright footbridge was yesterday erected by Linaamtic to form e link between the city's Broadmead sbopping centre end car parks on the other side of Bond Street.

The bridge, designed by British Steel Corporation's Tubea Division, comprises tubular rectaogular bollow sections.

Tbe sections, including ramps were built and tested in the company's works at Avonmouth. Even the anti-slip compound which provides the walking surface was laid and bardened in the factory.

Rubber covered tile

A DUTCH company is marketing e concrete tile which is antirely jecketed in rubber. Sixteen air cushions are arranged between the concrete and rubber, giving the jecketed sleb considerable resilience. The tiles bave e bigh insulation and ebsorption capacity, and are eound-insuleting.

The coocrete tile is 43 mm bigh, and the attacbed rubber jacket 27 mm. It is 300 mm long end 300 mm wide. The tiles can be supplied with or without bevelled edges and in various colours—red, hlue, green, white, grey and bleck. All except the bleck ere electrically insuleted.

The tile is suitable for use in steircase wells, kitchens, hospitels, old people's homes, playgrounds, swimming pools, gymnasiums and workshops. The tile can be delivered without the concrete bese and serve as a rubber tila for covering existing floors.

The maker is N.V. Hollandsche Basaltine, Tegelfebriek, Merwedestraat 40, Dordrecht, Holland.

Sticks to moist concrete

TERCOL has developed a special epoxy adhesive bonding agent to eliminate the "moisture fector" delay on all floor-laying contracts.

The new resin-based meterial —which eets to form a high compressive strength wetertight and bacteria-proof impermeeble film—will effectively bond tiles and vinyl sheet to damp concrete floors still too moist to eccept a etandard adhesive.

Cured resin film is unaffected by most inorganic and organic acids, alkalis and oils at ambient temperatures and ideal for bospital and laboratory use as the hond strength of the material cannot be weakened at the joints hy frequent spillage of these chemicals.

Nitotile can be readily applied to timber and cementitious floors provided they are structurally sound and the timber is braced to eliminate the possibility of "springing" et the joints. All backed pvc, vinyl, lino tiles and sheets can be laid inclnding those with felt or cork backing.

Meanwhile, Ripolin's liquid plastic roofing system, Aquagard, has been specified on the barrel vault roof sections of walkway areas connectiog the buildings and blocks at Berbican, in London. Sheet material was not entirely suitable and as the whole surfece was visible from surrounding buildings the use of a black coating was not considered. Aquagard was chosen because it is flexible, elastic, seamless and evaileble in a range of colours.

U.K.'s biggest truck crane

CAPABLE of handling loads of up to 170 tons and available in both strut jib and tower configurations, the Colossus, says the maker, is the biggest truck-mounted crane in tha U.K.

The Colossus, introducad by Coles Cranes, Eastcote, Pinner, Middlesex, incorporates new design concepts, including fluid balanced suspension; independent control of all diesel electric crane motions; and a 14 x eight-wbeel drive, with 10 steered wheels. For road travel the diesel-powered truck can reacb 35 mph, wbile for site travel with full length jib the transmission incorporates an hydraulic drive allowing speeds of 0 to 0.5 mpb.

The 170 ton load is bandled by the basic jib (49 feet 2 inches) at 15 foot radius. Using maximum extension sections and e fly jib provides a total combination length of 396 feet capable of handling 6.25 tons at 90 foot radius.

The basic tower configuration consists of a 110 foot pin-to-pin tower with a luffing boom, and the maximum loed of 50 tons can be liftad at a 30 foot radius. From a choice of five tower heigbts and six boom lengths, a wide range of configurations can be erected. Using the maximum towar height of 208 feet 4 incbes, witb the maximum boom length of 187 feet, a 9.5 too load can be lifted at e radius of 60 feet to a height of 387 feet.

The Colossus crane can lift from the ground all jib lengths and tower configuretions unaided.

In travelling order, basic overall length is 59 feet 1½ inches, beight is 13 feet end width 12 feet. Turning radius is 46 feet, and gradients of one-in-three can be climbed. Working order weight is 157 tons end travelling weight is 83 tons.

Devon reservoir site

THE FINAL choice of eite for the reservoir to meet the water needs of South West Devon np to the year 2001 is expected to be made towards the end of next January.

Four sites in the Devon River Authority area are on the ebort list of five being investigated by Sir William Halcrow and Partners, consulting engineers. The fifth possibility involves taking water from a proposed reservoir at Bickleigh on the River Plym, now under investigation by the Cornwall River Authority for supplying the Plymouth area.

The storage capacity of the reservoir envisaged would be between about 1,500 and 2,000m. gallons, capable of giving an average annual yield of ebout 8.1mgd. The consulting engineers are likely to recommend detailed site investigations of one or two dam sites following their report.

The four sites on the abort list are Bellever, Woodcourt, Farnworthy and Swincombe. The latter would be smaller than that rejected by Parliament earlier this year.

In June this year Mr. Eldon Griffiths, Parliamentary Under-Secretary, Department of the Environment, visited perts of Devon and Cornwall to report on the critical water shortage that bad put sboot 100,000 people under official "drought" warnings.

NatWest extends Kegworth

SINCE National Westminster Bank acquired the Kegworth computer centre near Nottingham from Systems International earlier this year, the bank hes been building it np as its mein computer complex outside London.

An extension to the centre is to be built under e £1m. order awarded to Gilbert Ash. A steel-framed building clad in pre-cast concrete will bouse a new water-cooled computer requiring sophisticated temperature and humidity control eqnipment.

In the coorse of the next 10 years the bank will install up to six large computers to be linked with other big mechines at Woolgate House, in London.

Fram gets variety of work

WORK valued at £400,000 bas been won by members of tbe Fram Group. V.C.C. of Egham, Sorrey, is to undertake tie Naylend Sewage Works Extensions and Leavenheath Sewerage for the Melford Rural District Council at Sudbury, Suffolk, under e £216,382 order. The consulting engineers are Sandford Fawcett and Bell.

Fram Gerrard is building e casb and carry warehouse et Swinton for Morris and David Jones at a cost of £100,000. Work on site has already begun and completion is scheduled for February next year. The scheme will provide about 43,500 aquare feet of werebouse and office accommodation with extensive car parking adjacent.

Fram Lendscepes is constructing two playing fields for the Bury Corporetion, three playing fields for the Lancashire County Council and e sports complex for the Winsford Urban District Council for a total of £90,000.

Tarmac gets down to it

FOUR jobs for Department of the Environment projects, together worth £90,000, have been won by the Geotechnical Division of Tarmec Construction.

The South West Road Construction Unit has placed a £48,000 order for soil survey work on the A30 road between Exeter and Okehampton which includes 185 sbell and auger boles and 272 rock drillings. At Bridport, Dorset, the RCU hes awerded an £18,000 contrect for 96 boreboles on A35 road site investigation.

At Heoley, Staffs., the divisioo has e £16,000 sub-contrect from Holland Hannen & Cubitts (Midlands) for contiguous enchored hored piling to facilitate ground excavetion 21 feet below road level for e new telephone exchange. The fourth contract, from the Midland Road Construction Unit, is for taking boreboles in connection with the Bilston Link Trunk Road.

IN BRIEF

● PART of a redeveloped scbeme on an existing building sbell situated between Liscard Road and Cherry Sqnare, Wallasey, includes construction of all internal partitions, decorations to walls, floors and ceilings, plumbing, heating, ventilation and electrical services.

The work, for Littlewoods Mail Order Stores, is to be completed in five months, and the £185,000 contract bas been awarded to Sir Alfred McAlpine and Sons.

● FINAL stage of the £6m. Merrion Centre scheme in Leeds for Town Centre Securities, is due to be completed in 1972 by John Mowlem and Co. under a contract worth £2.25m. A 10-storey air-conditioned office block of 150,000 square feet floor area, a 45,000 square feet department store with ground level car park, 18 shops and two public houses are to be built.

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MONDAY NOVEMBER 15 1971

Company tax reform

THE Conservative Opposition made it plain in the debste on tha *1965 Finance Bill* that it was unhappy with the form of corporation tax introduced hy the Labour Government, and in his Budget speech this year the Chancellor announced his intention of removing the discrimination against distributed profits. A Green Paper was issued to provoke discussion which described the various ways in which this objective could be achieved and tbe different advantages and disadvantages the Government saw in them. Since then there has been a great deal of consultation between the interested parties. The Inland Revenue bas been able to discuss tbe alternatives not only with representatives of different sections of industry and with tax experts at home bnt with officials ahroad. At the same time, a Select Committee of the House of Commons has been taking evidence and its report is soon to be publisbed. This procedure stands in marked and welcome contrast with the instant tax reforms introduced by Labour.

Complex issues

But the issues involved are complex. There are two principal ways in wbich the tax structure can be made neutral as between retained and distributed profits. Under the first system, wbich Germany has used until now, dlstribnted profits are liable to corporation tax at a lower rate than retained profits; under the second system, which France uses, all profits are charged corporation tax at tbe same rate but part of the tax on distributed profits becomes available as a credit against the fax liability of the individual shareholder. On purely domestic grounds, the first system is probably preferable —it has, for example, definite administrative advantages—and the Green Paper was inclined to favour lt.

But there are international considerations to be taken into account as well. First, there is the position of U.K. companies which earn a higb proportion of their income abroad: the Green Paper suggests that the amount of relief they were allowed for foreign tax could be the same under either system, but the question remains to be answered whether spacial provision sbould be made for them. Second, there is the position of foreign companies operating in the U.K. and remitting dividends abroad: they would be better off under a German-typa system than a French-type one. Third, there is the question of double tax agreements, which will have to be renegotiated in any case if the Revenue is not to lose money: the move to a French-type system might give the *U.K. a stronger nagotiating* position.

Harmonisation

Finally, there is the crucial fact that Germany itself is now proposing to abandon ber traditional system and adopt the Frencb one. Given the need for tax barmonisation inside the EEC, this seems to decide the issue of whicb to go for; the Financial Secretary to the Treasury, speaking last week at a conference on tax reform, admitted that the "passage of time has led us to accept that an imputation system (the Frencb variety) might be equally acceptable." But there are other matters still to be settled.

The Government is evidently still not sure whether to give special belp, for the sake of encouraging invisible earnings, to those companies (perhaps a dozen large ones and a number of smaller ones) wblch earn mucb of their profit abroad in countrles where corporation tax rates are markedly higher than our own; its decision will clearly be of interest to other governments and affect the negotiations about double tax agreements. At the same time, lf an enlarged EEC chooses to barmonise its company tax systems on the French model, which is less favourable to companies remitting dividends to foreign parents, two consequences will have to be reckoned with. Flrst, it may become more difficult to create a European capital market. Second, the U.S. will have another cause of grievance against Europe. It is not altogether surprising that the Organlsation for Economic Co-operation and Development is beginning to take a greater interest in international tax problems.

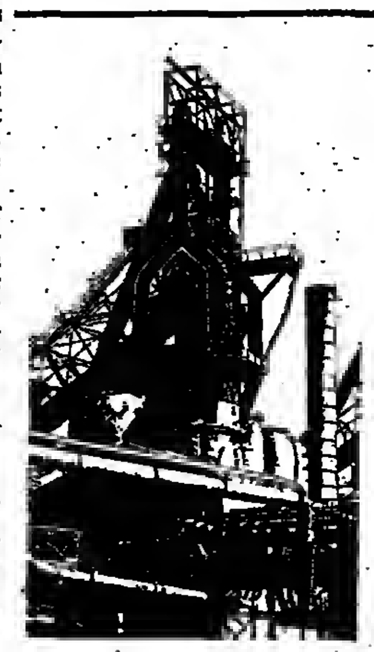
Steel: a disciplined response to a world recession

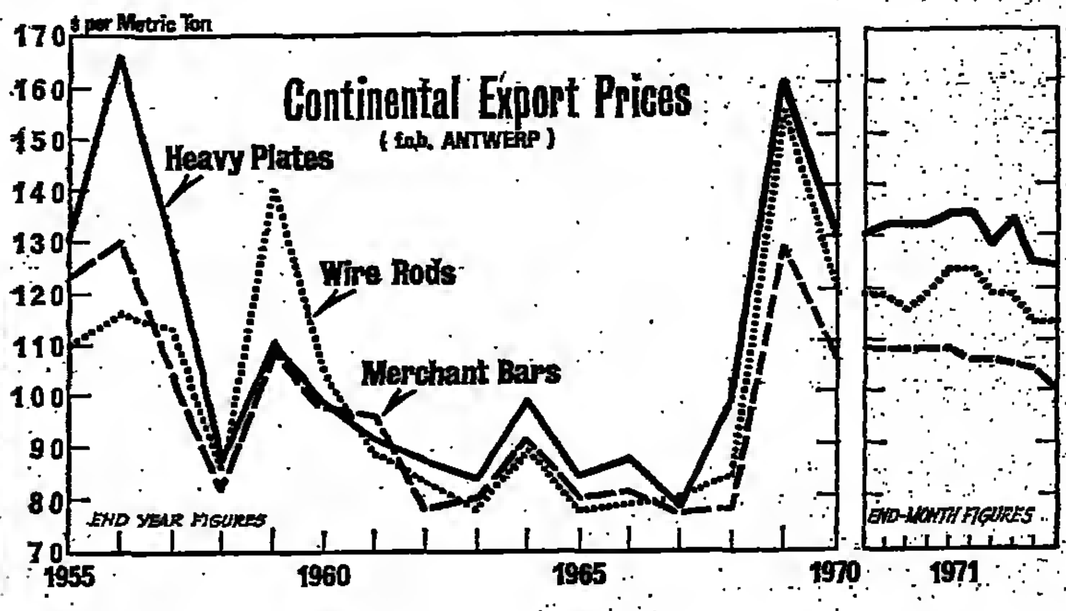
In Britain steel output is down by 10 per cent so far this year, and the Steel Corporation is currently losing some £2m. a week. Abroad, the production and profits picture is similarly poor. **Colin Jones reports:—**

THE world's steel masters bave lived through recessions before. But few can recall—at least in the years since 1945—a recession that has been as intense in both duration and extent as the present one.

Whereas earlier this year most of tha industry's soothsayers—including the European Commission's own forecasters at Brussels—were talking fairly confidently of recovery beginning this summer, few now expect this to happen before well into 1972, and some even doubt whether the new big upsurge in steel orders will come before 1973 or even 1974. In the meantime, ontput and profitability is being hit and hit badly, in virtually every major steel-producing country of the free world, from Europe to the U.S., to Japan, and back again.

Here in Britain, for example, steel output so far this year is down hy 10 per cent. and, with costs still rising, the Steel Corporation is currently losing some £2m. a week. At this rate of loss, the Corporation will probably have run through its present statutory horrowing powers by about February—long before either market conditions or the CBI's prices initiative would support an increase in home trade prices.





Short-time working

In West Germany, wbere steel production has also fallen by 10 per cent. so far this year, the situation in some respects is even worse. By the end of September the industry's order book had declined to the equivalent of only six weeks' work; and at least 22,000 of the industry's 350,000 workers are now on sbort-time. Herr Hans-Jorg Sendler, the chairman of Klockner, was hardly exaggerating wben he said recently that the situation now facing the West German steel makers was the worst they had experienced since the war.

Elsewbere on the Continent the "crisis" is perhaps not quite so acute. But the prodnction cut-backs so far this year range from 2 per cent. in the Netherlands to nearly 6 per cent. in France—and a one-day strike is due to-morrow over Wendel-Sidelor's recent announcement that five of its steel works in the Lorraine are to be pbased out in the next few years.

In the U.S., where only two of the eigbt higgest steel producers managed to make a third quarter profit this year, the situation bas been aggravated by "the-strike-that-did-not-happen."

Both home trade deliveries and imports surged ahead in the first half of the year as steel users built up their stocks in advance of the negotiations over a new three-year pay deal for steel workers. Then, wben the threatened strike failed to occur, stocks were as quickly run down again. As a result, steel output fell by 20-25 per cent. in September and October—or by more than 7 per cent. for the year so far.

Meanwhile, across the Pacific, Broken Hill Proprietary, in Australia, bas already announced a 15 per cent. prodnction cutback at one plant and is soon expected to announce similar moves at other steel works. Even Japan, long the envy of the world's steel makers with a phenomenal, and almost unbroken, record of growth, has not escaped unscathed. Indeed, the situation there is perbaps the most eloquent illustration of the extent of the turnround in the world steel market.

Already, output has declined by 7 per cent. since the start of the Japanese steel makers' fiscal year in April. This is the largest decline the industry bas experienced since the war. Yet it is regarded as an "inadequate" response to the present situation. Under the system of voluntary production curbs which tha Japanese steel producers have been operating, output was supposed to have been cut back by 10 per cent. from November, 1970 and by 18 per cent. since September this year.

As a result, the Ministry of Trade and Industry bas agreed to seek the Fair Trade Commission's approval for a system of compulsory output cuts, starting probably next month. The producers, for their part, are talking of establishing a watchdog organisation to check on "illegal" production and even of reverting to their previous practice of requiring seals to be put on idle steel plant. Evidently, even in this kind of situation, the Japanese are disinclined to leave much to chance.

Expansion ambitions

More graphically still, perhaps, the present recession bas bad a dramatic impact upon the capacity expansion ambitions of Japanese steel makers. Whereas the industry bad been talking of 160m. tons by 1975-76, as against this year's 96m. tons or so, the figures now being discussed range between about 105m. tons and 120m. tons—with Nippon Steel, the world's largest steel company, generally *favouring* the lower capacity target.

This depressing catalogue can, of course, easily give an exaggerated impression of the nature of the present situation. This is not the first time that steel usage across the world has been hit by a slowdown in the growth of world trade and production and by a decline in the demand for investment goods. Nor is it the first time that the commissioning of new steel-making plant has coincided with a recession in steel consumption.

Indeed, in many respects this year's crop of new plants is more manageable than most. Much of it is located in France and West Germany; and the additional capacity due to be commissioned in Japan this year is a mere 1m. tons.

Nor, for that matter, is it the first time that the three-year cycle of wage negotiations in the U.S. steel industry has been concluded without a strike. In one very important particular, too, the present recession is baving an encouragingly different impact from most previous ones.

For once, steel producers bave been letting output rates, rather than prices, take most of the pressure. Eveo now Continental export quotations, those sensitive bell-wethers of the world steel market, bave come back only about a fifth to a quarter from their peak boom levels of almost exactly two years ago, and are still, as the chart shows, some way above the depressed *levels of 1967-68.*

Cost inflation, which has been a world-wide pbenomenon, may be part of the explanation, of course. But the more decisive factor bas undonbtedly been the greater sense of restraint—or discipline, call it what you like—that the world's major steel makers are now able to show.

Steel is a relatively low-value material made by increasingly capital-intensive methods. Producers are therefore under constant pressure to keep capacity utilisation as high as possible. When demand falls off at bome, and the flow of orders is hit both by the lower rate of consumption and by users rednclng their stocks in line with usage, the traditional tendency bas been to push exports as hard as possible—in other words, dumping, or practices that come close to it.

Since the fastest-growing and most easily penetrated markets are generally those of other major steel-producing nations, this bas inevitably meant a "vicions spiral" of rising imports and lower home trade prices all round. This time, bowever, these pressures bave not been generated to anything like the same extent, and undoubtedly one of the main reasons bas been the extra strength the indnstry has gained as a result of all the recent mergers.

The creation of one dominant company in Britain may bave been the result of nationalisation. But there bas been almost as dramatic a degree of concentration on the Continent in recent years, resulting in virtually only four steel-making groups in West Germany, two in France, and one each in Belgium, Luxembourg, the Netherlands and Italy. There have even been some important mergers in the Japanesa and U.S. steel industries.

This is perhaps just as well, for the one entirely new factor in the situation, since August this year, has been President Nixon's economic package. The 10 per cent. surcharge on U.S. imports both of steel and of steel-based goods, coupled with the tax discrimination against imported capltal equipment, should serve as a powerful boost for the U.S. steel industry—although these benefits are unlikely to be felt until the steel stock situation has been fully unwound in early 1972. By the same token, the impact of these measures could be calamitous for the rest of the world steel industry.

The U.S. market, after all had been taking almost a quarter of total world exports (exclnding steel shipped between EEC members). For Japanese and EEC steel producers it represented a third of their total overseas markets—even for British steel it accounted for a fifth of the total tonnage of direct steel exports. Either way, from the import surcharge itself or from the currency revaluations the Nixon package was designed to precipitate, the Japanese and West German steel producers stand to lose.

Pressures and fears

The extra pressures and fear all this has generated could be really damaging if they resulted in a wholesale diversion of Japanese steel towards Western Europe. The odds are still against this happening. After all, the Japanese industry is still willing in principle to renew its voluntary restriction on the growth of its steel exports to the U.S., and has shown signs of being prepared to discuss the terms of a similar arrangement for its shipments to Western Europe.

The reduction in Japanese capacity expansion plans is also an encouraging sign. But Japanese and Western European ideas of an acceptable market share for Japanese steel in Western Europe, and of an acceptable rate of growth at that level, are not likely to be easily reconciled, particularly at a time when new orders look like remaining hard to win for some considerable time yet.

Anglo-French friendship

IN psychological terms, the success and the significance of last week's visit to London by M. Msurice Schumann, tha French Foreign Minister, is unmistakable. Both sides were prodigal in their expressions of satisfaction at the success of M. Schumann's talks bere, and the importance attached by the two countries to tbe new mood of friendship was underlined hy a series of departures from normal protocol: tbe visit ended with an Anglo-Frencb "Declaration" (rather than the more usual "communiqué"), and it was announced tbat the Queen would make a second State visit to France in the spring. Measured aimply in terms of outward courtesies and good intentions, M. Schumann's visit here surely rapresents tbe beginning of a new era in Anglo-Frencb relations.

Uninformative

In terms of practical politics, bowever, the results of his talks are rather more difficult to assess. Tha joint declaration revealed that the two countries are to step up their cultural, artistic and sciantific exchanges, and that more British civil servants will learn French in future (in order to allay French fears that their language migbt be displaced by English in the enlarged Commnnity). It also spoke approvingly of the Channel Tunnel project, as well as of the *opportunities* for technological co-operation between London and Paris.

But on the really major foreign pollcy lssues it remained deliberately bland and uninformative. The lndications which bave emerged from the Britisb side suggest that the policy line in Whiteball is, for the moment, one of caution: until the Heath-Pompidou summit in May the lines of communication between London and Paris were minimal, but now that joint discussions have started in earnest, the two sides are discovering tbat their ideas on many major issues bave a good deal in common. On this interpretation it would be premature to reveal much about what was said between M. Schumann and Sir Alec Douglas-Home: common ldeas will only lead to common policies after a further period of joint consultation.

Currencies

In the European context, common policies are urgently needed, not merely between Britain and France, but also between them and other members of the European Commnnity. The political disarray of the Six has been accentuated by the international monetary crisis and its impact on their economies and their common agricultural policy. It is evident that the relative exchange rates of the Six are far more important to them than any likely change in their rates against the dollar; it is not yet evident that they all accapt this fact, or realise that their negotiating *position can only be weakened* if they act separately.

Hitherto the U.K. bas stayed well out of tbe limelight on this issue, partly in the hope of minimising any upward movement in the sterling exchange rate, partly on tbe grounds that Britain is not yet a member of the Community and cannot interfere in the debates of the Six. Yet Britain now bas a vital *stake in the bealth* of the Community and a progressively important role to play. It is in this context that the improvement in Anglo-French relations is important.

MEN AND MATTERS

London guidance for IOS's old Italian fund

Fonditalia, once one of the brigbtest jewels in the Investors Overseas Services crown, is soon to have a London merchant banker. Mr. Ian Kilpatrick, in charge of lts investment policy. The story goes like this. The mutual fund was launched with typical IOS flair in 1967 (the publicity included Mrs. Bernie Cornfeld meeting the Pope). It bas been successful, hoth ln terms of *size—50,000 Italians* bave invested $250m.—and, relatively, in perfomance. So, when the IOS débâcle began, the Italian Government was worried enough about the effect of a possible collapse in easily the country's largest fund to step in and arrange for 51 per cent. of its management and sales companies to he sold to IMI, which is State-controlled and the largest medium- and long-term credit bank in Italy. But the IOS management company in Luxembourg retained tha contract to manage the fund. It is when this contract runs out at the end of the year that Kilpatrick steps in.

At the moment Kilpatrick is the Cbarterhouse Japbet director in charge of investment operations. The offer from IMI was too tempting to refuse, he says, partly because Fonditalia is already a buge fund and an interesting problem, and partly because with IMI's weight behind it, and an upturn in the Italian economy, it could grow mucb bigger still.

The management company will remain in Luxembourg, with Kilpatrick and a small staff, including a German No. 2, working from a representative office in London. The Italians, "who aren't in any way parochial," wanted a London base although half the fund, by law, bas to be invested inside Italy. The IOS management team, who, Kilpatrick thinks, have been doing "a pretty good job," have the overseas portion of the fund about balf invested in the U.S., with another fifth invested in London. Kilpatrick is "very bullish about the London market at the moment," and while stressing that the fund is run on "sound conservativa principles," wants to reserve himself plenty of mobility for the money he starts to managa in January.

Russian voices

Sir Alec Douglas-Home's visit to Rhodesia has, for some stranga reason, caused the Soviet broadcasting services to relax their rule that all commentaries must express identical views. For the first time, as far as Moscow-listeners can remember, three commentators broadcasting on the same day advanced widely different interpretations of a situation.

According to a commentary hroadcast in English to Africa, an agreement hetween London and Salisbury has existed all the time and UDI was only a trick invented by London to prevent Rhodesia's genuine independence British indignation was *just a sham.* But the Moscow home service transmitted its London correspondent's telephoned report saying that far from any prearranged agreement, Douglas-Home flew to Salisbury cap-in-band. Then, an bour later, came a commentary by Vsevolod Shishkovskiy which took the opposing view that Mr. Ian Smith "is bending over backwards to make easier for London the official adjustment of political and economic relations with the Rhodesian regime."

Well, perhaps at least one of the Rnssians knows something we don't.

Too quick off the grid?

A week-end report that Aston Martin and Britisb Racing Motors would co-operata to huild a new super sports car was intriguing. Such a match would hring together two of the sportiest namas in Britisb motoring. It would also link two vast private industrial empires, both of which are on comparatively hard times at the momant. BRM, formed to revive British Grand Prix racing fortunes after the war, bas, since 1952, been owned by Rubery Owen, one of the largest privately-owned companies in Britain, run until his retirement in July by Sir Alfred Owen and now hy his two sons, Mr. David Owen and Mr. John Owen. Aston Martin is owned by the Dsvid Brown Corporation. Also in July, it emerged that Sir David Brown had relinquished his executive role in the company (one of whose major problems is Aston Martin with a loss of more than £1m. last year) at the request of the compsny's bankers, though he remains as chairman. The thought of these two private giants roaring out of trouble in a 200 m.p.h. sports car is appealing.

But the matter is not as simple as that. Yes, there have been talks about sucb a car, but then, as Mr. John Boex, the managing director of tha David Brown Corporation saya, "We've been having a lot of talks with a lot of people." Aston Martin is still losing money and "that's why we have been talking to just about every car firm in the world." The idea that Aston Martin could huild 3,000 cars a year (they would have BRM engines and gearboxes) was a lot of bunkum. Aston Martin are still hand made in "wooden sheds, with no flow line." It would take, Boex thinks, around £1½m. of new capital for a plan to begin to make sense.

But on the BRM side, Mr. Louis Stanley, managing director (and brother-in-law of Sir Alfred Owen) says that the idea is still definitely on, that it was Aston Martin who made the first approaches and that between them they could build a car to match the Ferraris. BRM had been getting mucb more commercially-minded of late and could forecast a £½m. profit next year. Taking their racing expertise into the prodnction car field is a logical step, thinks Stanley and the Aston Martin-BRM link "can be to-day's equivalent of wbat the Rolls and Bentley partnersbip meant."

So someone bas clearly got a crossed line. Or perhaps it is just a question of jumping the gun.

Missing out

Another barrier has fallan under the onslaught of the Women's Liberation Movement. Women's Wear Daily, the chronicler of the vagaries of both aocial and sartorial fashions in the U.S., has ceased referring to women as either Mrs. or Miss in its pages. Instead, it now refers to all females as plain Ms. It has also stopped gracing men—including tbe President—with the title of Mr.

Observer

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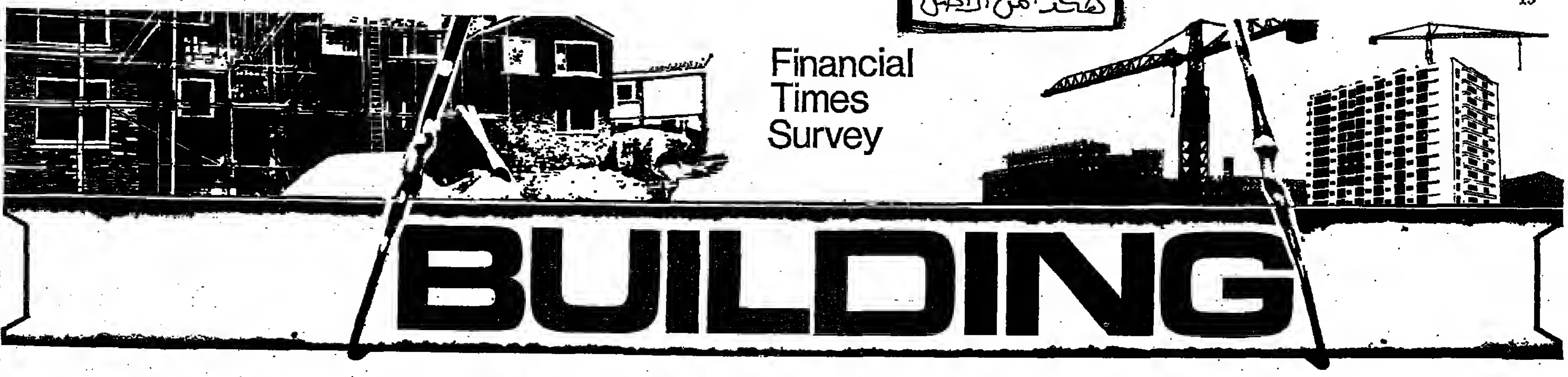


Mood of optimism pervades the industry

By MARTIN ROUTH

A MOOD of optimism is slowly aking a hold on the construc-ion industry which, after three ears of depressed activity, now ooks as though it should xperience an upswing next ear.

The total value of work arried out by contractors and lirect labour employed by ublic sector authorities was own in real terms to £4,971m. n 1970, the second successive all in real terms. This figure icludes £3,325m. of new work arried out by contractors—qual to 8.6 per cent. of the ross Domestic Product—while e remainder is split fairly venly between repair and aintenance and work done by ublic sector direct labour. Vhile the real GDP rose by 7 per cent. in 1970, the con-ruction industry suffered a 2 per cent. setback in total itput at constant prices com-ared to the year before.

As for this year, there seems be only a slight bope of nprovement. The National conomic Development Com-ittee for Building and Civil ngineering expects the figure be virtually unchanged. On e other hand, a state of trade quiry conducted by the ational Federation of Building ades Employers last month owed that 43 per cent. of embers thought they would do ore work this year than last, hereas only 25 per cent. pected to do less.

Confidence in the future, wever, is endorsed by the lue of all orders placed with otractors during the first half this year which stood some per cent. higher at constant prices than for the same period of 1970. Certainly the private house building market is currently enjoying a most welcome recovery.

The figure for new private sector house building orders for the first six months of the year was almost 10 per cent. higher than for the corresponding period last year. Indeed, the number of private houses started in September was the second highest ever recorded in one month.

Land shortage

However, grave concern exists as to wbether this recovery can persist much longer in view of the anticipated crucial shortage of development land particularly in the South East. What is more, the public sector's share of bousing continues to decline. The extent of this fall has been put at 11.5 per cent., which to all intents and purposes disposes of the gains in the private sector. On this polnt, the industry's little Neddy expects total house completions in 1971 to be slightly below last year's figure of 345,000. The prospects for the near future are somewbat bleak as the value of new orders for council housing fell by 20 per cent. at constant prices seasonally adjusted for the first half of this year as against last.

But a boost may follow the increases in the Government's housing cost yardstick of up to 11 per cent. announced last month by Mr. Julian Amery, Minister for Housing and Construction.

That there is tremendous potential for house building is evident from the fact that an additional 180,000 homes are needed in London alone and much of the older housing stock needs replacing. Nearly 2m. slums still exist and a further 2m. homes do not yet have such essentials as bathrooms and indoor sanitation, it is stressed in the White Paper "Fair Deal for Housing" published in July.

The Government's main reforms proposed in the Housing Finance Bill, whicb had its first reading earlier this month, are expected to save up to £250m. of public money a year by 1976. This Bill is expected to enable local authorities with acute housing problems to receive more resources to clear slums and build more houses. Any day now the Bill sbould have its second reading.

Looking now at other sectors of the construction industry, output of private industrial work is expected to be at least 4 per cent. down this year. This expectation is based on a Department of Trade and Industry survey into investment intentions which sbowed a fall of 6-8 per cent. in the capital expenditure plans of manufacturing industry.

Hotel building

This appears to be borne out by the figures for floor area approved by industrial development certificates. For the second quarter of this year these came to only 14.9m. square feet against 23.7m. square feet for the corresponding period last year.

One area to have contributed to a significant step up in private non-industrial output is hotel building. This has been as a result of the Government's grants offered under the Developmeot of Tourism Act, which required starts to be made before the end of March, 1971.

So far as office building is concerned, there appears to be continuing demand if the strong growth in office development permits is anything to go on, and the industry's EDC foresees a 4.5 per cent. growth in this area. School building has been another active area with new orders obtained in the first six months of the year 40 per cent. up on last year.

An analysis of the construction industry shows that the number of firms operating in it has been steadily falling; from 92,000 in 1959 to around 75,000 at present, while at the same time the proportion of large companies has been increasing. The workforce, equal to some 6 per cent. of the country's employees, has fallen from 1.6m. to 1.3m. These figures reveal more than rationalisation; they point to higber productivity.

To some extent this is attribntable to the fact that factory-made components are being increasingly used. The share of overall costs of buildings absorbed by engineering services, for example, is continually rising as user standards improve. As these services, covering such things as lifts, air-conditioning, heating and lighting, become more sophisticated, they comprise more manufactured components, and it is this that contributes to greater productivity for the industry as a wbole.

But they also serve to demonstrate the extent to which this industry is still fragmented, and may account to some degree for its rather poor record so far as overall efficiency is concerned.

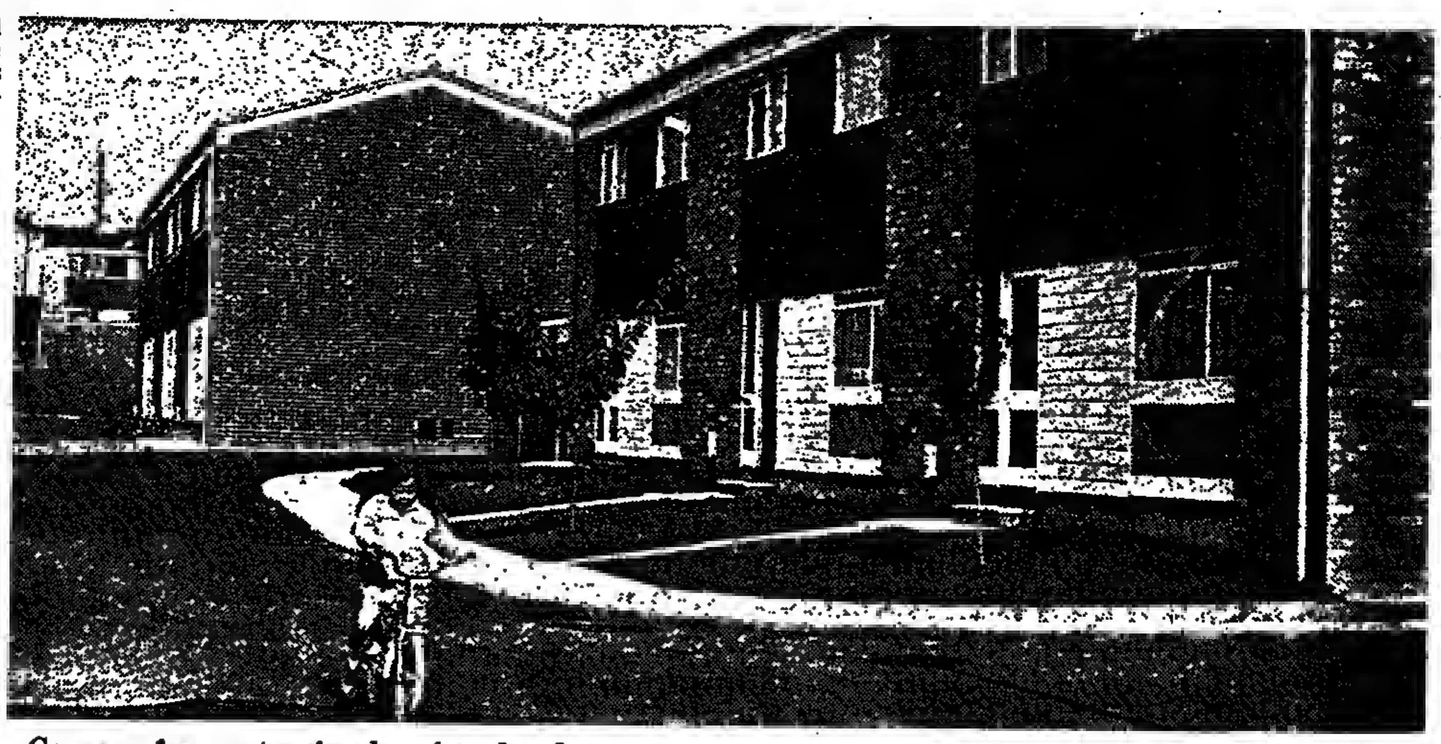
The number of registered unemployed in the industry for July was 118,000, and if this figure seems lower than might have been expected the discrepancy is accounted for by the continual drift away to other occupations. What may be surprising, however, particularly in view of the increasing shortage of skilled labour in the South-East, is the 7,000 unfilled vacancies that existed in July for craftsmen registered with the Department of Employment.

The bankruptcies that occur among contractors from time to time bighlight the overall lack of profitability experienced. On the issue of fixed price tenders for contracts of less than two years duration, the qnestion being asked is does this policy inhibit or contribute to inflation? Builders' anxiety in this matter is based on the fact that materials prices have been rising by about 1 per cent. a month, and in any case overall inflation has been running at almost 10 per cent. over the last year.

Direct labour

Another major area of concern to contractors is the possible effect on them of the valne added tax proposed for 1973. They are particularly worried that direct labour bnllding departments of local authorities sbould not be treated in such a way that private builders are left at a disadvantage.

Any forecast of the construction industry's prospects for more than a year or two ahead is impossible as its fortunes are so closely alinged to those of the economy in general. While an upsurge is confidently predicted in some quarters, particularly in view of the country's EEC commitment, leaders in the industry are besitant in their predictions.



Corner of an extensive housing development in Amiens which was British designed and built of British brick.

BUILDING II

Changing pattern in housing demands

By STANLEY MORTON, Chairman, National House-Builders Registration Council

It is always difficult to predict for the future in housing. At the beginning of the 1960's expert opinion was agreed that 300,000 bouses a year was about all that would be needed.

In fact average annual outpnt in the 1960's in the U.K. at 380,000 started or 362,000 completed a year has far exceeded this figure. In many areas the shortage of homes has been turned into a surplus. Taking Great Britain as a wbole in December 1970 there were 408,000 more dwellings than households. In those circumstances some might expect that the market migbt now stagnate.

Yet, as we all know, tha demand for private housing, especially, bas never heen more bnoyant; all tha signs suggest that starts will this year be in the region of 200,000 in the private sector while the public sector starts may be about 150,000.

How long will the hoom last? We commissioned Professor Parry Lewis to give us a review of the various housing forecasts. The tahle shows what the experts predict.

HOUSING DEMAND

TABLE OF COMPARATIVE FORECASTS

AUTHOR	1971	1972	1973	1974	1975-76	REMARKS
Parry Lewis	330,000	370,000	387,000	Then a drop until the late 1970s.		Assuming 5 per cent. vacancy rate in later years. Figures taken July-June.
Richardson & Vipond	Estimated Annual Average Programme 310,000					Forecast made of overall ten-year picture of what the position may be at end of decade. Figure forecasted—1,500,000
Holmans	A—372,000 B—372,000				355,000 402,000	A—Low slum clearance of 100,000 p.a. B—High slum clearance of 150,000 p.a. after 1971. Figures based on five year assumptions.
W. Greenwell	360,000	375,000	385,000	400,000		(Figures for Great Britain)

My personal belief is that in the next 10 years the emphasis should be and probably will be, more and more on the private sector. Already we have over 5m. council houses, far more publicly owned houses than in any other democratic country. Already 150,000 of these council houses become vacant each year because of deaths and because of other people moving out to buy their own homes. This tendency will, I believe, increase and I think it very probable that by the mid 1970s tbere will be over 200,000 council houses falling vacant each year.

Low incomes

Even if not another council house were now built, there will be many places where it will be difficult for local authorities to find tenants at fair rents. Those who will want to move into council houses will be those with low incomes who will benefit from the rent rebate schemes. This is right and proper. There should be housing provision for the needy hnt I doubt very much if there are over 5m. families in this category.

It is worth recalling what Richard Crossman, Minister of Housing, said in 1965: "if the provision of subsidised council housing is a social necessity forced on us hy the technological development of the modern conurbation, the provision of houses for sale, to tha potential owner occnpier, is a response to deep call of human nature. The extension of our council bousing programme is exceptional; it is born partly of a short-term necessity, partly of the special conditions inherent in modern urban life, whereas the building for owner occupation is normal; it reflects a long-term social advance whicb will gradually pervade every region of the country."

I do not think that anyone could express better the direction in which our housing policies sbould move in our cities as well as in the suburbs. Owner-occupation bas every attraction. It is whst most people want. It promotes saving. It gives the indvidual a stake in society. It encourages him to do his own maintenance. It belps the Exchequer because the individual is willing to pay a bigger percentage of the real cost of his housing if he owns rather than rents. This is natural because ownership is a good investment in the long run whereas renting means paying for ever without anything to show for it.

Renting market

Of course there will always he a place for a renting market for those who have to move every year or two or who, for some reason or another, do not wish to own. But even if our political climate should change I think the economic advantages of ownership are so great that the percentage of those willing to rent privately at an economic rent is likely to remain small. Because rented property has to be maintained and management charges bave to he met, the annual cost of renting is almost as great as that of buying even if the renter were given similar tax advantages. In December 1970, 14.9 per cent. of all dwellings were privately rented and this percentage is falling rapidly each year. If we are realistic I think we must expect this decline to continue.

In 1980, on present trends, it looks as though home ownership could be between 55 and 60 per cent., with council housing 25 to 30 per cent. and with other forms of private renting bousing societies and tied houses perhaps 10 to 15 per cent.

What are the likely trends for standards? In the 1960s we have seen improvements in the layout of estates and in the design of houses. Far more have central heating; far more electric socket outlets are provided; there is more storage space and kitchens are better planned and equipped. In the public sector houses are also largar, bnt in the private sector this is true only at the more expensive end of the market. Because of soaring land prices the tendency has been for cheaper private houses to become smaller rather than larger.

It is difficult to foresee what is now likely to happen. If by imaginative means we can bring more land on to the market then our new houses could become larger as well as better and yet still be built at a price which people could afford to pay. In the U.S. the average new home is nearly 1,300 square feet while our average is probably under 850 square feet. If we fail in this then I fear the family houses will remain smaller than would be ideal and with less land. We will, however, need more one- and two-bedroom houses; there will be an increasing demand for houses in both public and private sectors built for old people, for single people, and as week-end retreats for the city worker.

Lastly, will there be a technological revolution? I do not believe so. I have lived through too many "House built in 12 hours" and "£1,000 house" opening ceremonies. But there will be continuing technological evolution and it seems highly probable that the 1980 house will be warmer and better equipped than that of 1970.

Better grants emphasise benefits of improvements

By MICHAEL CASSELL

In the continuous debate on the required levels of new bouse construction in this country it is often forgottan that much can be done to improve the housing stock situation without a single additional boma being huilt. The problem is as much one of improvement and modernisation as one of new development.

There is little douht that more has been done in the last three years to stimulate improvement of existing houses than at any previous time.

Grants have, in fact, been available for home improvement work since 1949, but rarely was the fact sufficiently publicised by local authorities or made use of hy the public. All that bas certainly changed since the Housing Act. 1969, and the improvement grants system is currently experiencing a success which could have major repercussions on the nation's housing situation.

Until 1969, the maximum amount made availahle hy a local authority for improvement work was £400. To-day, a more raalistic figure of £1,000 exists, unless the ownar-occupier or landlord lives in a development or intermediate area where the amount is extended to £1,500. In both cases, the grant is normally half the cost of the modernisation work undertaken.

There are three types of grant availahle. First, there is the discretionary grant whicb can be used for improvements to a high standard and for providing additional accommodation by conversion.

Standard grant

There is also the standard grant for providing certain hasic amenities in existing homes, which the local authority is ohliged to pay if certain conditioos, including the age of the property, sre met. This type will provide balf the cost of improvement work to a maximum of £200, or £450 in exceptional circumstances. The figure can, once again, be even higber in development and intermediate areas.

The third grant covers basic improvaments to houses in multipla occupation and are made at the discretion of the local council. The property must be lived in by peopla who do not form a singla household.

It is the discretionary grant which is now attracting so much attention and which promises to play an even greater part in future house improvement work. In 1969, the scheme became considerably more attractive and an intensive campaign to spread the word, hacked by government ministers, got under way.

London boroughs

Tha series of "homa improvement months" which was soon established is still continuing and will reach a climax early next year when all 32 London boroughs and the Greater Londoo Council take part in an improvement driva throughout the capital.

The effect of the campaign so far is clear to see. In 1969, 109,000 grants were given hut by 1970 the figure had risen to 157,000, hy far the best total on record at that time. By September of this year, howevar, the level of grants was running 20 per cent. ahove the 1970 figure. Up until 1969, the standard grants found most favour with the puhlic hut since then the discretionary grant has hecome the most popular.

Neither has the construction industry itself been slow to appreciate the advantages, in terms of additional workload, that a more attractive grants system is providing. The Natiooal Federation of Buildiog Trades Employers has reported considerahly increased levels of bouse improvement activity in some regions, particularly the north, and is anxious to see even greater co-operation between local authorities and its own members to ensure a continuing and greater acceptance of the grant scheme on a nationwide basis.

As a further boost to improvement work, the Federation now operates a scheme in co-operation with Forward Trust which provides finance for those customers wanting modernisation work carried out, hut who are unable to qualify for local authority grants.

A less traditional role for the local authorities is in the establishment of general improvement areas whereby the living standards of a whole, predominantly residential, area are raised. A GIA is declared and the local council institutes a comprehensive improvement scbeme, encouraged hy the ready availahility of grants and loans. A limit of 300 homes is usually set for any one project and the idea is to improve the environmental characteristics of an area while avoiding the social disruption caused by massive clearance and rebuilding operations.

The GIA scheme has taken some time to commend itself to many local authorities but the ontlook is improving and to date about 220 councils have established such projects in England and Wales.

Pioneer approach

As with improvement grants soma authorities adopt a more pioneering approach than others. But the undoubted benefits of hoth schemes should ensure their continued expansion in future and help maintain the process of modernisation and environmental improvement which is becoming increasingly important.

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BUILDING III

Industry unlikely to increase demand

BY HAROLD BOLTER, Industrial Correspondent

Few industries in the U.K. show any signs of increasing capital expenditure on buildings over the next 12 months. The most recent Confederation of British Industry industrial trends survey could identify only two. In general, the indications are that there will be a further reduction in investment in expansion.

The CBI survey suggested that the only industries where companies, on balance, had authorised more spending on new buildings were those in non-ferrous metals manufacture and those operating in the field categorised as "other vehicles."

The optimism shown within non-ferrous metals manufacture is obviously a reflection of the British Steel Corporation's massive investment programme, which includes provision for new construction.

Vehicles producers

It is more difficult to identify which of the vehicle producers are stepping up their spending. The category includes motorcycles, three-wheel vehicles, pedal cycles, aircraft, locomotives, railway carriages and wagons, rolling stock, prams and hand trucks, and it is not clear which sectors are thinking of increased expansion. There will be only marginal growth anyway.

Within the rest of the industries taking part in the CBI survey, responsible for a large part of manufacturing activity in Britain, the overwhelming impression is that most companies have decided that they must cut back expenditure next year even below the low levels of 1971.

This is reflected in the latest industrial development certificate returns from the Department of Trade and Industry, which show that the number of IDC's granted for projects of over 10,000 square feet in the first nine months of this year was the lowest since 1967. In the July-September quarter certificates approved for projects in excess of 10,000 square feet represented a total floor area of 15.1m. square feet. By contrast, in the third quarter of last year they covered 22m. square feet—and 1970 was not a good year for builders active in the industrial sector.

Overall, certificates granted in the first nine months of this year represented 48.2m. square feet of floorspace, some 20m. square feet less than between January and September, 1970. The total for the 12 months to the end of this September came to 68.8m. square feet, compared with 92.3m. square feet in the preceding 12 months.

These are disturbing figures and, naturally enough, the IDC policy has come under renewed attack recently. It has been criticised as a deterrent to growth, even the expansion which it is designed to promote in development and intermediate areas.

Birmingham and the West Midlands have been complaining for some time that the IDC control mechanism has prevented the region from maintaining the diversified industrial structure, with new industries consistently replacing old, which has been its traditional strength. Unemployment figures showing the number of people out of work in the region tend to support this contention.

High unemployment

Another critic is the Royal Town Planning Institute, which maintains that it is a naïve assumption to believe that if economic growth is stifled in one area it will blossom in some other part of the country. The Institute argues that areas of underemployment can only really be rejuvenated by implants from areas with surplus jobs. This, in turn, means that the stronger regions must be kept fertilised with new growth so that there is something to hive off. Where the operation of a strict IDC policy prevents new economic growth from taking place it becomes a self-destructive policy, the Institute maintains, leading to economic distortion and discouraging mobility of labour.

Unfortunately, although there is much in this line of argument, the Government is not likely to be persuaded to move away from a policy of persuading industries into the less-developed areas at a time of high unemployment in those areas. It would be unrealistic to expect any changes in direction.

In any case, the end of the IDC policy would not lead to a dramatic revival of construction activity in itself. The best that can be said is that it would help to create the sort of atmosphere in which companies begin to think in terms of expansion—and that, as the Government has found despite an expansion Budget and subsequent measures, is difficult to achieve.

The Government is well aware of the dangers of a continuing low level of capital expenditure on new plant and buildings and has tried to stimulate growth. The best hope for the construction industry is that now Britain's entry into the Common Market seems assured industry will begin to plan for expansion again, although uncertainties in the currency field could well continue to inhibit their enthusiasm for increasing manufacturing capacity.

There is nothing in the statistics to suggest that confidence is returning.

Returns on the value of new orders obtained by contractors for private sector industrial work suggest that this business is running at an annual rate of some £470m. in 1971, almost £100m. less than the total for 1970. No real resurgency of activity can be expected over the near 12 months.

System building becomes part of everyday life

BY JOHN M. GILLHAM,

Chairman, System Builders' Section, National Federation of Building Trades Employers

Building costs in Britain have been rocketing at the rate of ... per cent. per month. This is ...ly the result of increased ... labour costs, which have ...led over the past ten years. ...just basic wage rates and ...ses, but increased payments in respect of unemployment, sickness and pension benefits; holidays with pay and redundancy payments, coupled with a full "guaranteed week" in the event of inclement weather.

These increased labour costs, of course, not only apply to construction labour but also to labour manufacturing key materials such as cement, bricks and steel reinforcement, which are key ingredients for any building.

Thus it stands to reason that any form of construction, call it "system," "industrialised" or "component" building, which can save on site labour and construction time must become progressively more competitive with traditional methods of construction.

Thus many leading people in the British building industry ... argue, in my submission rightly, that perhaps one should drop the name "system" or "industrialised" building, as if it was something special or unusual. On the contrary, the use of factory precision-made dimensionally co-ordinated components, erected by ... highly trained groups of skilled men, aided by sophisticated machinery, to construction programmes carefully planned and speedily executed, is becoming part of everyday life, the rule rather than the exception.

Industrialised building has had mixed fortunes in Britain over the last 25 years since the end of World War II.

In the housing field, the aim was to build 40 per cent. of local authority housing (around ...00 per annum) using industrialised methods, but, alas, through no fault of the builders, this figure was never achieved, the best year being 1968 when 50,342 dwellings were completed using industrialised building techniques. This was due to a combination of circumstances: the average Englishman's resistance, particularly in housing, to anything which does not conform with his traditional concept of building—in short, acceptability; failure by some Local Housing Authorities to give reasonable sized contracts, to justify the capital investment involved, coupled with the reluctance of many of these housing authorities to accept standardisation, but insisting on so-called "improvements" to well proven and established systems; in the case of high-rise dwellings, considerable propaganda by some sociologists against the wisdom of shutting people up in the high-rise blocks away from the amenities of a garden and neighbours.

Public education

On the school front, many national contractors developed first-class systems immediately after the war, making an invaluable contribution to the accelerated school-building programme. However, subsequently various "public consortia" systems such as CLASP, SCOLA and SEAC were developed, by a consortia of public education authorities, pooling design resources and producing standardised structural steel or concrete systems, accommodating standardised mass-produced secondary components. The result was that by the end of the 'sixties, although some 40 per cent. of the schools in the United Kingdom were constructed using system methods, only about one-fifth of these, some 8 per cent., were using well-tried and proven "private systems" developed, marketed and promoted by private enterprise contractors. Notable private systems being "Intergrid," by Gilbert-Ash Ltd., "Laingspan" by John Laing Construction Ltd., together with excellent systems by Derwent, Lesser, Medway, Anderson and Simms CDA.

On the hospitals side, some six contractors were invited seven years ago, to carry out, on a negotiated basis, major hospital projects, using their own systems. All were highly successful but, alas, the lessons learned were never exploited with continuity contracts for the whole design/build teams.

On the defence building side, a £9m. Barracks scheme was built at Aldershot, using a heavy and dry large panel system for the living accommodation, and a prestressed, precast concrete framed system for the administration, recreational and training buildings. The scheme was remarkably successful, achieving over twice the national average productivity per man year for traditional building, and received both a Civic Trust (for architectural merit) and a Concrete Society award. Thus illustrating the point I have always contended that "system" or "industrialised" building does not mean monotonous building, if designers would only give the same imaginative, creative thought to their "system" buildings as they do to their traditional ones.

At the time of writing, I am pleased to report an upsurge in industrialised building in the United Kingdom—not only in the public but also in the private sector.

Following the publication of a productivity study on two-storey housing by the NBA showing that productivity on IB sites is 70 per cent. above the level for all public sector housing, requiring only 50 per cent. of the site labour required for traditional methods of construction, coupled with the publication of Ministry of Housing cost statistics showing a decided cost and time advantage for industrialised built low and high rise dwellings, the number of system house tenders accepted for the first quarter of 1971 showed a considerable increase over last year, accounting for 33 per cent. of all public sector dwellings approved by local authorities.

Standard components

With the change to metric and public consortia and private system schools designed to the same preferred dimensions, it is hoped that in the future private structural systems will, once again, obtain a larger share of the market. Education Authorities will be able to select the structural system most appropriate for the particular project, but still enjoy the benefits of inter-changeability of mass-produced standardised secondary components such as windows, doors, partitions and fittings.

Much work is also being done in the rationalisation of common performance standards for mechanical and electrical services in schools, which after all, form an important sizeable element of the total cost of a school.

Recently, the System Builders Section of the National Federation of Building Trades Employers had important discussions with the Department of Health and Social Security with a view to national contractors with proven hospital systems making a larger contribution to the Hospital building programme.

In Britain to date, more industrialised building has been in the public sector, but the ever increasing costs in traditional building has made many industrialists, commercial organisations and property developers examine the cost and other advantages of using construction methods aimed at saving site labour and construction time—combining the best of the old with new methods of construction.

Design staff

The contractor is responsible for all aspects of the contract, including design, planning, coordination and construction operations, using either his own directly employed professional design staff or commissioning a team of private consultants. This procedure has the advantage of streamlining administration, reducing both the design and construction periods, and, above all, avoids split responsibility.

In the 1970s it stands to reason that with ever increasing sophistication in man's working, leisure, and living habits, demanding a high degree of precision and skill, that the laissez faire approach to building operations, vulnerable to adverse site and inclement weather conditions, material, labour and other delays is just not going to be acceptable. Clients will demand, without fail, completion of their buildings, to the required standard, within budget on time; contractors' shareholders will require a proper return on capital employed, and workmen will expect a full working week at a living wage with the opportunity to earn a bonus for high production above "norm."

With traditional building vulnerable to inclement weather, poor site conditions, material delays, labour disputes and indifferent performance between an uncoordinated team of architect, engineer, quantity surveyor and builder, all working in different organisations, this is frequently not possible. However, with system building controlled by one management/co-ordination, design/construct contractor, erecting high quality, precision made components, with sophisticated machinery, to construction programmes carefully planned and speedily executed, it should be possible to satisfy client, shareholders, design/build staff and workmen, since all will share identity of interest—efficiency and greater prosperity.

BUILDING IV

Healthy prospects for big firms

By BARRY RILEY

It has been a quiet year for mergers in the construction industry. Although there has been a trickle of medium-sized deals in the building and building materials sectors — like Thomas Tilling's £2.8m. bid for Pilkington's Tiles, and Ready Mixed Concrete's £3.6m. purchase of Berk's interest in St. Albans Sand and Gravel—the big take-overs have heen missing.

One reason is possibly the uncertain trend of the industry earlier in the year; the direction of profits was doubtful, and share prices were generally not high enougb to provide the rigbt springboard for hids and deals. Moreover the take-over specialists often had their attentions elsewhere: Trafalgar Honse has been digesting the acquisition of Cunard, and Bovis bas been tying up deals in Canada and arranging a rights issue.

Share prices

Within the past mnnth or so, hnwever, the firm trend of share prices and profits appeara to have begun to stimulate a rise in take-over activity. Thus Tarmac stepped in for the trouble-torn Limmer Holdings, and stimulated by the intervention of Trafalgar Hnuse pushed up its price to £9m. Bovis came out with agreed terms worth £8.6m. for Page-Johnson Builders, reckoning roughly to douhle its stake in the booming U.K. estate development sector.

Viewed from the stock market, this has been a year of substantial recovery. By the beginning of this month the FT-Actuaries indices for Contracting and Building Materials were both showing gains of some 60 per cent. compared with the end of 1970, a performance about twice as good as that of the all-share index.

In fact experience in the industry has been patchy, but the overall picture has been influenced by several powerful factors. To start with, the tremendous upsurge in the private housing market, contrasting with the period of considerable depression which came before, has had widespread repercussions on tha building materials suppliers. The leap in hotel construction has played a part too. Demand for everything from bricks on the one hand to central heating boilers on the other has roared ahead. In the first half of the year deliveries by London Brick increased by as much as a fifth, and profits before tax were £3.03m. against £3.66m. in the whole of 1970. In its third quarter, May-July, Marley earned £1.92m. pre-tax, nearly as much as its £2.30m. in the full year 1969-70.

The ending of the price controls sat up hy the Labour Government has also played a major role. Deliveries nf cement, for instance, have not heen especially buoyant but hefty price increases put through over the last 18 months have permitted a big recovery in profits. The weather should not be ignored, either—a very mild winter has been followed hy a predominantly dry summer and autumn, which is always an effective influence in keeping costs down and profits up.

Good weather has heen important for roadbuilders, and this sector bas also been the heneficiary of an active pbase in the trunk rnad programme as work has continued fast towards the target of the first 1,000 miles of motorways. Those in the right places have dona well: among the civil engineers W. and C. French, for example, while among the suppliers of aggregates Amey Group raised prnfits from £0.48m. to £1.19m. hefore tax in the first half.

So much fnr the bull points. There have, needless to say, heen some important factors working the nther way, and of these perhaps the most widespread—cropping up in practically every major company statement—has been the prohlem of fixed price contracts in the public sector. The Government, together with nther public authorities, has resolutely opposed attempts by tha construction industry tn write variable price clauses into contracts of less than two years. So the price and cost explosion of 1970 and the early part nf this year has made mincemeat of the profit margins built into contracts being worked on in the recent past, and at present.

Rate of inflation

There are signs, however, that the worst of this problem may now hava been seen. For the last year or so the industry has been allowing in its tenders for a much higher rate nf inflation. As the older contracts are completed the higber profitability nn newer business will shnw through more and more.

In the public sector the fixed price haadache has been compounded hy the weak demand for housing, more particularly for high rise types—which have been going rapidly out nf fevour—and various kinds nf industrialised huilding systems. The comhined effect nn George Wimpey was sharp et ona stage—in the six months to last March the group's pre-tax profits fell by 40 per cent. Another prominent victim of hard times in this sector has heen Concrete, tha "Bison" group which rose to prominence nn the back of the high rise housing fashion: profits bere fell 17 per cent. to just over £1m. in 1970-71.

Yet Wimpey has hounced heck in creditable style, with a slight earnings improvement in the half year to June; for a group building nver 9,000 units a year in what is et present a highly profitable U.K. private housing market this is, perhaps, not surprising.

It remains tn be seen whether the higb profits of some areas of the huilding industry will percolete through to the remaining dull spots; in contrast to Amey Group, fnr example, Hoveringham Gravels (in a much less favoured area) has only sbown modest results sn far, despite the good weather factor.

Still, the broadly based industry giants are looking healthy. Thus Taylor Woodrow is hnpeful of maintaining its steady upward trend and John Laing—just mnving out nf its long phase of recovery towards real growth—pushed profits nearly 50 per cent. higher to £1.56m. pre-tax in the first half of the year. For the same period Tarmac was also well up, hy some 16 per cent. excluding acquisitions. And though Marchwiel has been quiet about prospects, it is fair to assume that its hig stake in the U.K. roadbuilding programme is standing it in good stead.

Safety: waiting for Robens

By KEN GOFTON

Overshadowing any debate on accident prevention in the construction industry—or indeed any other industry—at the present time is the Rnhens Committea on Safety and Health at Work. A considerahle volume of evidence has now been placed before the committee, and although tha publication date for the report is not yet known, its findings are eagerly awaited by those directly involved in accident prevention. One authority in the construction industry said that the inquiry represented the best nppportunity in 100 years tn influence legislatinn.

Several employers' organisations are involved in what is loosely known as the construction industry. They include the huilding trades employers, civil engineering contractors, engineering employers, and the electrical, heating and ventilating, asphalt, and oil and chemical plant contractors, and they have submitted written evidenca jointly.

Although that evidence has not heen msde public, one can make a fairly accurate guess at the points which the industry's employers would want to get over. For example, although construction is grouped with manufacturing nnder the jurisdiction of the Fsctories Acts, it is strongly felt by many thst the conditions are entirely different. Accident prevention on a building site is complicated hy the fact that the physical sbape of the site and the work being done cbange from day to day; westher conditions can hsve an important bearing on safety; and the number of subcontractors can make overall supervision difficult. It is not suggested that there should be no legislation governing working conditions in the construction industry, hut the official view of the employers' associations is that the present law is too cumbersome and difficult to interpret. A separate Act and Regulations are required for construction, it is srgued, and these should be hacked up by an industry-devised Code of Conduct, rigorous training programmes, and a greater relisnce on the common law responsibilty of the individual.

Accident record

How much sympathy the Robeos Committee will have for this point of view is difficult to assess. In spite of much good work done by iodividual companies, the industry's accident prevention record as a wbole compares badly with that of mannfacturing industry—largely because of the difficnlt working conditions referred to earlier. If it can be shown that existing legislation is positively hindering efforts to improve the industry's performance, then the case might be accepted. But the sole criterion must be to devise the most effective legal framework for minimising accidents. Agsinst that, a feeling of being hemmed in by too many petty regulations is a small price to pay if it geouioely means fewer employees being injured.

The industry is also critical nf the preseot system of assessing blame fnr an accident when it comes to the allocation of compensation. This has the effect of making more difficult any investigation into the cause of an accident, because management and employees withhold information in an attempt to safeguard their own interests. Although anything which divides management and employees on accident prevention is to be regretted it poses again a major question: whether the problem is so important that it merits upsetting the present system nf compensation through the Courts.

Statistics present another source of irritation, particularly to the construction industry (which is frequently shown up in a bad light), hut also to industry at large. The problem really is recording minor accidents resulting in a few days off work. These figures have some importance to government departments concerned with the payment of benefits, but few now regard them as an accurate measure of the number of accidents occurring—it is claimed they are distorted hy people taking a few days off.

203 fatalities

Mnre accurate, since there is no arguing ahout it, is the number of fatalities whicb have occurred. In the construction industry, some improvement was recorded last year, with the number of fatal accidents down to 203, against 265 in 1969 and 238 in 1968. Yet in 1967 there were nnly 197 fatalities. Related to the number of penple employed, there were 19.9 fatalities per 100,000 employed in construction in 1970, compared with 23.8 in 1969, 20.5 in 1968, and 16.5 in 1967.

One piece of legislation whicb appears to have been pigeonholed for the time being was the Labour Government's proposal for compulsory joint consultation on accident prevention. This was resisted by the construction industry employers on the grounds that accident prevention on a building site is a complex issue which calls for special training. The employers objected to their employees being given authority on safety matters without adequate training. "But we would do anything we could to encourage voluntary consultation," said a spokesman for the NFBTE. Although the Conservative Government sbows nn inclination at present to revive the idea, there is nn guarantee that it will not be resurrected by e future Labour Government.

These are perhaps some of the more interesting debating points in the indnstry at the moment. On the practical side, there are at least a couple of develnpments which have been carried out ceotrally that are wnrth recording. One is the completion of the iodustry's detalled Safety Manual, which retails at £5 plus a further £8 for an amendment service. Sales have "far exceeded expectations," and the manual has even been adopted by the Royal Engineers. It replaces the confusing mass of literature from many sources with wbich building companies ware regularly hombarded.

The second interesting development is the provision of four mobile units by the NFBTE which can visit huilding sites and are equipped to give film shows and lectures to 24 people at a time. Thirteen different subjects are covered in the programme of lectures offered.

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Site labour and the new legislation

By JOHN ELLIOTT, Labour Editor

The coming year could well rove significant for the deve- ɔpment of building industry ıbour relations as construction tes settle down within the new ıdustrial Relations Act's ramework, as union rivalries olarise around the Transport ıd General Workers and the malgamated Society of Woodorkers, Painters and Builders, ıd as employers face up to a assive national wage claim.

As in all other industries, it as yet too soon to predict ith any degree of confidence xactly how the new labour gislation will affect day-to-day bour relations. It is aven more fficult to try to do this in the uilding industry because of the ay it is organised. And in any se, any changes in the TUC's licy of non-co-operation with e Act will affect developments.

But despite this, three parts the Act look as if they are re to have an impact on uilding sites. The first ia the tlawing of closed sbops and eir replacement with agency ops. Tbe second is the possility of friction developing over ter-union rivalries with the ssihle use of the new bargaing unit procedures. The third the need for managements to hten up their dismissal produres so that they do not fall ıl, through inefficient ganisation, of the Act's new fair dismissal provisions.

Local traditions

At present closed shops of rying degrees of formality d with differing leanings tords "pre-entry" and "posttry" arrangements exist in the lustry, the more formal being Scotland, the north and rtb-east. Althougb the degree unionism, say on Tyneside, s slipped for some unions well low the 98 per cent. which s estimated ten years ago, d even though closed shop angements have tended to bene proportionately less mal, local traditions have n maintained and on many s arrangements are in existe which will be unlawful in future.

his is because of the Act's provision of a statutory right not to belong to a union as well as a right to belong to a union of one's cboice. It follows from this that all closed shop arrangements will be unlawful and the Act rubs this in by specifically declaring pre-entry arrangements void, leaving post-entry shops to be covered by the right not to belong. It also outlaws informal arrangements where a union in effect operates a closed shop, for example where it bas a dominant say in who should be employed.

But this does not mean that all closed shops must be eliminated on the day next February or March that these provisions are brought into force. There is nothing to stop employers continuing to operate the arrangements providing they are prepared to pay compensation in the Industrial Tribunals on the unfair dismissal scale up to £4,160. And a pre-entry closed shop will not be regarded as void until it has been declared so by the National Industrial Relations Court at the request of a man wbo felt he was being discriminated against by being refused employment.

But in some industries, employers are contemplating writing to their unions stating that because of these provisions such arrangements must end. However, in construction, the most likely trend seems to be for employers and unions to continue their old habits, if in a more cautious and circumspect fashion.

The new alternative introduced by the Act (apart from the special approved closed sbop for use in special circumstances like the entertainment industry where Actors' Equity needs total control) is the agency shop. This gives an employee three choices once be bas been employed. Either he joins the union, or he pays it an agency fee without joining, or he establishes conscientious objection and pays a donation to a charity.

How far this sort of shop is applicable tn the construction industry ls open to debate. Obvinusly it would be useful in a factury situation—say a joinery shop or pre-cast concrete factory —where there was a stable labour force. It might also be useful on sites if it could be arranged at company level because it is estimated that about half the building industry's workforce stays with one employer for about five years. But at site level with a more rapidly changing workforce it migbt be better for a union to try to build up a strong "voluntary" arrangement rather than bother with an agency sbop.

But in any case, all thia is fairly academic at the moment because of the TUC's anti-Act policy which first debars registration and secondly says unions must not go to the NIRC to uae its provisions. Non-registered unions cannot effectively negotiate an agency shop because it would not bave statutory protection. There would therefore be nn method of forcing an employee either to join a union or to pay the agency fee.

Even though Mr. Jack Jones' TGWU is showlng itself loth to de-register quickly, it should not be assumed that he will defy the TUC—and nor will Mr. George Smith, of the new amalgamation, wbo is this year's TUC chairman.

Bargaining units

The possibility of bargaining unit problems is similarly restricted by the TUC policy because non-registered unions interested in invading the industry—or the establisbed unions interested in attacklng each other—would not be able to appeal for a statutory unit. Nevertbeless, with unlons like the construction section of the Amalgamated Union of Engineering Workers moving in on plant operators and Mr. Clive Jenkins' Association of Scientific, Technical and Managerial Staffs wondering whether lt can be bothered to tackle the industry's unorganised white-collar staff, a relaxation of the TUC policy could lead to bargaining unit applications.

The third problem from the Act stems from the industry's present loose and informal dismissal arrangements. If a company is to be able adequately to defend itself in the Industrial Tribunals, it will have to ensure that the procedure to be used when a man is dismissed is properly followed—for example there should be no doubt about wbo has the responsibility for dismissal, and adequate records of the reasons and circumstances of a dismissal sbould be kept.

Two other aspects nf the Act should also be noted. First, there are the restrictions on strikes and the introduction of new unfair industrial practices. Here developments depend almost entirely on managements' attitudes to the value of trying to end a dispute in the courts.

The second is the Act's requirement, backed up by the Code of Industrial Relations Practice, for managements to hand over company information to union negotiators. This provision will not be enforced till late next summer. But it seems likely to raise immense problems for contractors wbo could well be faced with demands from sbop stewards negotiating bonus rates for costing information—either through bills of quantities, operational bills or some other source.

Meanwbile, now that the Building Trade Workers bave merged witb the Woodworkers and Painters instead of the TGWU, the new amalgamation has to face a difficult period with organisational and financial problems. But the TGWU's ambitions in the building industry bave not been stifled just because it lost the builders and a new period of rivalry can soon be expected as the amalgamation attempts to estahlish itself as a viable industrial union.

This rivalry will colour the wage negotiations leading up to next year's June deadline. The employers seem unlikely to move anywbere near the £30-a-week minimum claim that has been lodged (up from £20) and may well also refuse a cut in the 40-bour working week. The unions could well react to this by bypassing the national negotiations and pressing mllitantly for local deals in key areas.

Training needs still undefined

By ELSBETH GANGUIN

The first two big training boards to be set up after the Industrial Training Act of 1964 concerned the engineering and construction industries. The Engineering ITB, at once, used the big "stick" to encourage training in the shape of a 2.5 per cent. levy on the industry's payroll. The Construction ITB, on the other hand, decided to place its main empbasis on the "carrot"—it promised grants for this, that and the other. This, in a nutshell, became its undoing a few years later.

The open-ended grants scheme became just too expensive. Also, the Board's administrative costs became a bone of contention. Altogether, the CITB expanded too fast—even if this was largely in response to its Industry's demands—and, finally, lt found ltseif deeply in debt and at odds with everybody.

So, 18 months ago, a new chairman moved ln, followed, in January of this year, by a new director. The ITB's borrowlng powers were raised to £16m., because to cover its grant liabilities a £30m. cash-flow was needed. (In the event, the £16m. was actually never taken up.) And a Government loan had to be negotiated, too, because other horrowing sources bad dried up. Other drastic measures followed. Grants payable for training done in 1970-1971 were slashed by half. The hitherto customary 20 per cent. "supplement" payments ceased, and the strict policy was adopted that grants would only be paid if they were covered by levy income.

Restructured

Among the complaints directed against the old-style CITB had been ooe about lack of consultation with the industry. The Board therefore restructured ltself into committees, and thus threw the "onus" straigbt back at the various sections of the industry. The committee members are sitting as the representatives of their sectors, not as individuals—and nobody can complain about lack of consultation now. Eacb of these four committees decides its own training objectives and its own levy/grant pollcy. The Board as such only intervenes if a decision by one committee affects the decislons of the others.

Each of the committees has sub-committees and working parties. Members represent companies, federations, trade unions and educational establishments, and cover a wide regional cross-section as well.

Next, administration costs were reduced. To-day, the CITB staff numbers about 550 less, a drop of around 50 per cent. Area offices were closed and expenditures scrutinised and pruned. Over £1m. a year, or 33 per cent., was, in fact, cut out.

And it was the new committees whicb devised the first "post-crisis"— 1971-72—grants scheme. This was in fact the first time that a CITB grant scheme was based on the money actually available to pay for lt, but this also meant that the pattern was based on financial, and not on training considerations. Each committee, naturally, took its own view and all tried to recover their section's debts.

But this procedure also meant that, for the first time, lt became possible to indicate what levy rates would have to apply over two years, and to inform the lndustry accordingly. A 150 per cent. ceiling was set on grant payments against levy. And firms with payrolls below £6,000 a year were exempt altogether, with a 20 per cent. levy reduction for those with payrolls between £6,000 and £15,000. It ls now anticipated that, in fact, the loan should be down to nil by March, 1976, and the Board does feel that, financially, it no longer has any problems of control.

So throughout all these convulsions, training had to take a back seat. It is only now that the committees can take a look at wbat, and bow much, training the industry actually needs, and they are doing just that, if in a somewhat pragmatic way. The outcome will undoubtedly prove to be rather mundane. There will be more in the kitty for, say, apprentices, and less on the management side. One wonders whether the pendulum may not now be swinging ton far in the switch away from the previous practice of paying bigh grants, particularly for "luxurious" management courses.

Many people were now asking him wbether, once the debt was paid off, the CITB would take on a purely advisory role, Mr. Owen, the director, was saying the other day. Such a CITB move would be in keeping with the professed policies of other training boards, aome of wbich plan to do away with the lavy-grant system in the relatively near future.

In reply be told the Contractors' luncbeon club early last month: "I am personally quite certain that financial controls, which would prevent a training board running into debt, can be maintained on a levy/grant system. So I believe the question that both Government and training boards must answer for the future is: have the levy grant mechanisms operated by the training boards over the past 6 years improved the quantity and quality of training in their industry and have they assisted in spreading the cost of training? And associated with this qoestion in my mind is another equally important ooe "Has the levy/grant mechanism been cost effective and equitable?"

He added: "There is little doubt that the answer to the first question is "YES." The Training Act got off the ground because training boards could raise a levy and pay a grant. A company whicb was not already interested in training became lnterested, either because it would have cost lt money lf it didn't or because lt would be able to make money if it did. There can be no argument with this fact and one of the greatest contributions this bas made to the industry is the fact that there are now over 1,000 fully trained competent training officers ln the construction industry.

"This would never have happened without levy and grant, neither would many of the new methods of training craftsmen have been so readily accepted by colleges of further educatinn if they had not been supported by companies who, in turn, were grant-aided.

"Without doubt the real question is "Have the levy/grant systems used by industrial tralning boards been cost effective and equitable?

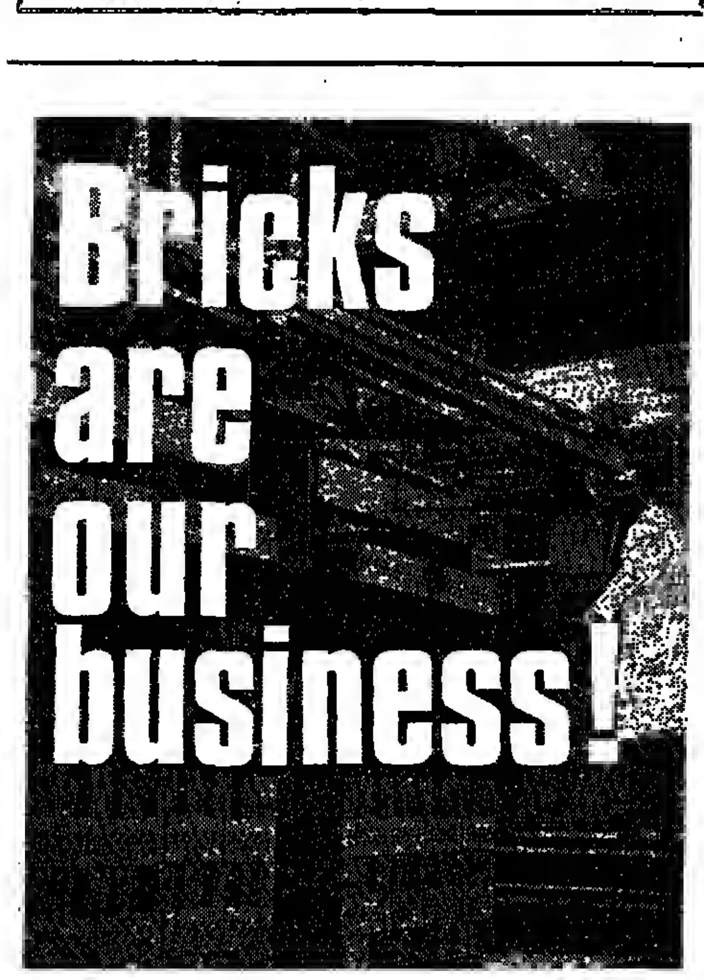
"Personally, I don't think anybody can supply the true answer to this question at present and I hope that the CITB will be able to do some research into providing an answer as it is fundamental to future policies.

"In the CITB's case the answer is probably that the levy/grant system has not been cost effactive and equitable. But at present this is a subjective judgment which it is not possible to quantify."

The real problem was that so little was known about the construction industry, Mr. Owan declared. There was talk about a catastrophic shortage of new entrants for craft training. "And yet there does not appear to be any information available as to the numbers of craftsmen which will be required by the industry in three or four years' time." Neither was there any information available on the effect new technologies were having on the traditional crafts. (In the meantime, the CITB will be paying 70 per cent. of its grants this year towards craft and operator training.)

Sharing the cost

The speed with which the training boards can, with advantage, move towards that coveted advisory role, and do away with their levy and grant systems, must surely depend on the degree of sophistication in the industries they cover. Quite apart from the need for the CITB to collect levies to enable it to repay its debts, it is doubtful whether, without the present stick and carrot lever, many construction firms would in the event come for advice, participate, and allow a monitoring scheme to operate. There is another idea whlch came up at the birth of the training boards, but whicb bas since been largely discredited, and that is the idea of "sbaring the cost of training," meaning that those wbo do not train pay money to those wbo do. This view is no longer generally fashionable, yet Mr. Owen says that there are still many people in the construction industry wbo tell bim that sbaring the cost of training is the only true purpose of a training board. Obviously, the construction industry still bas a long way to go.



BUILDING VI

Materials suppliers optimistic

By RICHARD HERMON, Director, National Council of Building Material Producers and the Building Materials Export Group

Materials, components and fittings—materials for short—represent nearly balf the cost of construction works in which they are incorporated. Building material producers are thus currently supplying goods to the value of well over £2,000m. to tha home construction market, together with over *£200m.* in direct exports. A wide and diverse range of industries ls involved, represented by a considerable number of trade associations and federations, the great majority of whieb are brought together in matters concerning their collective interests, and representation of these interests, in the National Council of Building Material Producers (BMP), founded in 1942.

The industries producing building materials are generally capltal intensive—in many the annual turnover is less than or about equals the capital employed, in sharp contradistinction to the contracting side. Investment decisions for new plants and for increasing capacity must generally ba taken some two or three years ahead. Producera therefore bave a particular interest in longer-term and *medium*-term forecasts and their accuracy, BMP being probably the first body in the construction field to undertake forecasting on a regular basis for the benefit of lts members, a function which it has fulfilled for many years.

Construction activity bas sbown a decline, in real terms, since 1968, with consequent underutilisation of capacity and resources. It now seems reasonably certain that this decline will be reversed for 1971, wbich should show a modest increase in output at constant prices with every sign of a larger one in 1972, to return for new works, to about the 1968 level. It must be hoped that real growth will then continue as foreseen by the longer term assessments of the forecasts working party of the two construction Economic Development Committees whicb suggest a continued *growth to 1979*, in real terms, but at rather over half the average rate enjoyed for the decade to 1969. There is nothing to suggest that building material producers will not meat the demands likely to be put upon them. Sudden surges can, bowever, occaslonally canse temporary difficulties, primarily of a specific or local nature.

Repair market

The repair and maintenance market is an important one for material producers—one which is understated in official statistics because of the omission of sucb work whicb is carried out by the maintenance organisations of industrial firms and others not themselves in the construction industry, and by do-it-yourself. It has been estimated that if the value of sucb work were included, *this sector* wonld represent no less than a third of the consequent total output. Predominantly the materials for it are supplied through merchants and retailers. Minor new works, and minor works of improvement, are normally included ln this sector, which is undoubtedly receiving a fillip from the Government's encouragement of house improvement.

So much for prospects in the home market. Exports have sbown a marked and successive annual growth since 1967, and in the first half of this year are over 20 per cent. higher ln value than for the corresponding period last year. Many building materials have a high weight-cost ratio and cost of transport can be a large element in delivered price. Such materials are not easily exported. It is unwise to be dogmatic—who would think that we can export manhole cnvers, for example, yet we do, and considerable quantities of fabricated structural steelwork are exported—but clearly the more immediately promising opportunities lie with lighter, low-bulk commodities, the more sophisticated or advanced materials and products, and those in whose selection "prestige" and fashion can play a part. By and large, if we enter the Common Market, our building materials industries should, on margin and with but a few possible exceptions, benefit from a removal of tariffs and a greatly enlarged "home" market despite the U.K. market being more open to Continental competitors. Benefit, too, should lie in a greater demand for construction work in the U.K. for new transport facilities, factories, and so on. Many firms, of course, already own or participate in overseas producing companies, to overcome costs of transport, where Britisb expertise and know-bow can be exploited, and to meet differing local practice and requirement.

The Department of the Environment has recently commissioned a study on import-saving in building materials. Available statistics for both exports and particularly for imports of materials, viewed in the context of construction, are imprecise and not comprehensive, and perhaps this study, as part of its findings, may indicate improvements whicb might be made in import statistics without inordinate cost. The EDCs, and more particularly the Construction Materials Group at that time associated with them have, however, nn previous occasions made fairly extensive studies into the question of import saving. As might be *expected*, they found that the major import was timber, which could not be replaced by bome production. Other ltams under the broad heading of materials used in works of construction, as distinct from in the construction process (where fuel oils, for example, are substantially used), were generally relativaly *small* in value. Again, imagined prestige, predilections and fashion seemed to play a fairly large part in their choice by the specifier and designer.

There are also raw materials, particularly non-ferrous metals, used to make building products wbich, like timber, must ba *imported. So it* becomes largely a question of the specifiers' attitudes (which might be changed) on the one hand, and import substitution on the other. The lattar, in particular, opens up a wide field for debate and controversy, into which overall economy, suitability and performance enter, as well as broader and more fundamental issues.

Rising prices

Recently, there bas been comment on the rising prices of building materials, and it may seem strange that the sharper increase started to occur during a period of declining activity. Producers were, bowever, recovering from a period of artificial restriction and control and they too were and are suffering from inflation in their own costs, imposed on tham from outside and by world market prices for commodities which many of them use. There bas been an essential need, too, to restore the return on capital employed to the generally modest level—and here cement, in particular, may be singled out in illustration—which is essential as a minimum to maintain capital investment and progress.

It is a simple fact that building material producers bave maintained an enviable overall record, over a very long period, of relatively small and steady price increases. For a period between 1957 and 1960, the cost of cbnstruction materials went down. More recently, the official price indices for construction materials as a whole, using 1963 as the base year, show average annual percentage rises, year over year, of 3, 2.9, 2.8, nil, 5.5 and 3.5 for the years 1964-69 inclusive—an average nf 2.9 compound or just over three arithmetic. For 1970 over 1969, the figure was 8.4 per cent. For July 1871 (the latest figure available at writing) over July 1870 it was 10 per cent. Both these latest figures, derived from the official indices, are noticeably below those *commonly given in commentary*, and arise from the circumstances already noted.

CBI undertaking

A price rise of 10 per cent. will be seen as a high average figure for building materials, but it bears favourabla comparison with many other commodities, services and wages over the same period. The cement makers bave fixed their prices for a year, many of the largest producer firms have signed the CBI undertaking and others not within its catchment have subscribed to it, while the Council of BMP has commended tha CBI initiative to all its members. Producers, in conformity with their long record, can be relied upon to exercise all possible restraint. Indeed, the increasing development of competitive materials, products and combinations of materials makes this a commercial necessity, quite apart from the need to encourage growth in the market which they serve.

What is the effect of material price rises, as a wbole, on construction costs? A rise of 1 per cent. results in a rise in construction cost of just about ½ per cent.; a *10 per cent. in*-about 4½ per cent. A 10 per cent rise in cement prices adds between about 1/5th to ¼ per cent. to overall construction costs (and much less to a normal bouse). Of course, rises in individual materials can have a relatively larger (as well as *smaller*) effect on particular types and forms of construction—an added incentive for producers to keep their prices as low as possible to meet cost comparisons between such differing forms.

It is not possible in a short survey, even in a general way, to deal with the many developments—recent, current and future—whicb affect material producers, such as metrication and dimensional co-ordination, specification by performance, some aspects of data co-ordination, bulk purchase contracts and other contractual issues, "industrialisation," building regulations and legislation. Suffice it to say that in many of them the commercial brunt falls on the building material producers, and they have a vital and continuing interest, and part to play, in them.

Revival in brick construction

By J. H. MILSTED, Chairman, Management Committee, Brick Development Association

At the beginning of the 1960s it seemed to some specifiers at least that the use of brickwork as a structural medium was possibly on the way out. Unpopular with the more avant-garde designers, it also had to contend with Government pressure for the use of newer systems whicb seemed to pronounce it an uneconomical and thoroughly inadequate way of putting up a wall. Yet a few years later it is possible to write in terms of a revival in brick construction.

An important factor in this reversal of the earlier trend is undonbtedly the disenchantment of many designers with other materials and forms of construction whicb bave proved neither quicker nor cbeaper than brickwork and whicb deteriorate at a wholly unacceptable speed.

A sufficient time has now elapsed for the true cost of maintenance and the serious structural problems inherent in industrialised building to be assessed by local authorities all over the country.

These professional misgivings are reflected in the growing and *increasingly articulate* public concern with the quality of the environment being created in this country. Not a little of the criticism is directed at the use of harsb and unsympathetic materials in wbolly inappropriate situations—especially in bousing areas. In these circum*stances*, it is not altogether surprising that the outstanding economic, functional and aesthetic properties of brickwork are being re-assessed at something approaching their true value.

Research programme

But a further and important set of reasons for the turnabout in architectural and constructional trends is to be found in the recent history of the brick producing industry itself. When its markets came under competitive pressure, tha brick industry was able to bring into train the positive developments whicb had resultad from its researcb programme to meet the challenge to its traditional supremacy over all other forms of construction. At company level this manifested itself in the evolution of larger and more efficient production units and the widespread adoption of modern management, manufacturing and marketing techniqnes. On the collective front, firms representing the bulk of the production of the industry reshaped the existing Brick Development Association to promote the common weal more effectively—not least in the important spheres of communications with the building Industry and research and development.

This latter activity bas exerted a significant lnfluence in the revival of brick construction. Despite its somewhat staid and traditional image, the brick industry had been investing considerable sums in research and development long before lts markets came under attack. Fortunately, this started to pay off just when the onslaught was gaining momentum. The early 'sixties witnessed a major tecbnical breakthrough when the functional and economic efficiency of multi-storey loadbearing brick structures was establisbed beyood doubt. Traditionally, the higher you went witb loadbearing brickwork, the tbicker—and more expensive—the walls had to be. Research sbowed that with high-strength bricks, sensible planning and the application of sound engineering design it was possible to build 16, 17 and more storeys high with walls no thicker than are used in many two-storey dwellings.

For a time, however, progress was slowed by the Ronan Point disaster—the tragic gas explosion in a higb-rise, pre-cast concrete panel structure which cost four lives and brougbt about an intensive investigation into the design of tall buildings generally. It is typical of the forward-looking, objective attitude of the contemporary brick industry that, although its products were not involved at Ronan Point, it was the first organisation to start researcbing the effects of gas explosions and the phenomenon of progressive collapse. Sponsored by the Brick Development Association, the Britisb Ceramic Research Association erected a full-scale multi-storey brick building and, with the co-operation of the Midland Research Station of the Gas Council and the Atomic Weapons Research Establisbment, Foulness, subjected it to a long series of gas explosions in order to establish the magnitude of the pressures developed and their effects upon the structure.

The results confirmed what many people already suspected from the experience of two world wars—brick structures have a remarkable capacity to withstand the effects of gas explosions and other accidental forces.

Wide spectrum

The industry recognises that although the material has been in use for centuries it still has unexploited design and development potential. As visitors to the impending International Building Exhibition at Olympia will be able to see for themselves, sponsored research in hand in the laboratories of the Britisb Ceramic Research Association—among the best-equipped in the world—and the universities of Edinburgh and Liverpool, covers a wide spectrum of projects from the avolution of advanced structural techniques to the development of more efficient handling and bricklaying *methods*. Tha extent to whicb the brick industry is identifying itself with the problems of designers and contractors alike, through this researcb and development, is an unquestionably important factor in the swing back to brick construction.

In addition to the favourable trend largely stimulated by their own efforts and the swing away from competing forms of construction, brickmakers are currently benefiting from the general upturn of buslness in the construction industry at large. Thus far, however, the increase in demand has not *been matched* by any very *significant* increase in brick production. Due to the recent severe recession in building—especially houaing—brickmakers deem lt prudent to dispose of their accumulated stocks and to take a long, cool look at the likely pattern of forward demand ln order to plan their future production requirements. The present supply position is generally satisfactory—such minor problems as exist are reglonal and are confined to the lower-priced bricks. There are still considerable stocks in Scotland where there is a general recession in construction.

Far from becoming complacent in the face of an expanding home market, some brickmakers are beginning to turn their eyes towards Europe in search of new outlets for their production. Only a few months ago, a major private housing development in Amiens was constructed entirely in British bricks and found a very ready sale among Frencb house-purchasers. Provided transportation costs can be kept within reasonable bounds, there seems every reason to believe that this example will be followed elsewbere in Europe. Many British bricks are greatly superior in functional and aesthetic properties to most of their continental counterparts, and there is strong evidence to suggest that our brick industry is about ten years ahead of its European colleagues in research, production and marketing tecbniques. Nor should such an invasion of their markets be necessarily unwelcome to overseas brickmakers. The introduction of British products and marketing experience could be of immense value to the home-produced article lo stimulating a general increase in the demand for bricks.

But—to return to the state of the game in this country—all the indications are that brickwork has not only re-asserted itself as by far the best structural medium for our climatic conditions, but is also the "in" material with some of the most progressive designers for external walls, internal walls and pavings. The built environmeot can only be the better for it.

BUILDING VII

Measuring the impact of Europe

By DAVID CURRY, Export Editor

In August this year the)epartment of the Environment ublished a survey of the Construction Industry and the EEC. ts final passage carries the ıessage that is being repeatedly reached at businessmen on the ve of Britain's Commoo Market entry: "Above all, the impression received during the ourse of preparing this paper the importance of developing European attitude. Fears have een expressed," the document ays, "about an influx of competition, the difficulties of perating in Europe have been mphasised, and the view has een put forward that the ommon Market concept has ttle to do with construction.

"But in Europe itself, the nstruction indnstry eccepts e reality of the market. There indeed a risk of increased ımpetition and there are very al technical obstaclea to perating outside national ıundaries: but the feeling in urope is that these are usually er-empbasised. Once the conpt of a massive home market, hatever its imperfections, is cepted, the problems are uod to be of manageable prortions. For the construction dustry, it is thougbt that entry ould provide greater opporinities than the reverse."

It is hardly rhapsodic in tone. it it reflects the feeling of the dustry that the nut is crackle provided it is spared too ıch exhortation.

In fact, the materiala and mponents industry has an imessive exporting record. In 70 exports of fitments and mponents reached £86.7m. e first half of this year is owing a 35 per cent. improvent on the same period of last year. Overseas sales of materials are showing a aimilar improvement after reaching £36m. last year.

Iron and steel sales, in the forms of products like hars, rods, sections, girders and galvanised sheets are also set to top last year's £71.8m. in overseas sales.

In terms of output the U.K. lags some way behind France and Germany. It is estimated that in 1967 the output of the construction industry in France was $17,000m., in West Germany $14,580m. and in the U.K. $9,450m. In terms of the bigger size companies operating the U.K. generally boasts more of the bigger size companies, io relation to turoover. France in 1969 had 34 companles wlth turnovers in excess of £16m. and two with a turnover of more than £77m. Germany had 17 companies in the first category and four with e turnover of more than £77m. The U.K.'a figures are 31 and four respectively.

Third World

The U.K. and the European industry tend to do more exporting with underdeveloped countries than with each other, largely because the cost of transport makes it difficult to compete in a sophisticated market with its own advanced construction industry. In the Third World the tendency is very much to estahlish manufacturing operations or licensing processes as a response to the very heavy demand for construction fecilities by countries trying to build up their infrastructure in the form of roads, housing, docks and the like.

In 1969 it is estimated that French contractors did $791m. in work abroad, of whicb only $143m. was in Europe. The West German figures reflect a aimilar propensity, with Europe accounting for only $27.3m. in work out of a $404.2m. total. British companles carried out work abroad worth $560.5m., of which the Enropean share was only $42.6m.

One of the main factors which will boost trade within the Common Market will be tbe eventual freedom of competition in the field of procurement of suppliers and construction by the State, local authorities and public enterprises.

In the area of supplies the Commission haa submitted a plan to the Council which would introduce publicity in the Community as a wbole for important contracts, prohibition of discriminatory technical specifications, "objective criteria" for the selection of companies invited to tender and for the acceptance of tenders.

Similar formulae are heing considered for puhlic works tendering, though it is likely that public euthorities engaged in transport services, gas, electricity and weter supply will be excluded. There is also likely to be provision for grounds to waive the rulea in certain circumstances.

The general vaguenesa of the proposals, and the inevitahly slow and tortuous pace of barmonisation procedures is likely to put off for many years the time wben overseas companies will be able to compete on completely equal terms with native companies.

The Treaty of Rome also aims to allow individuals and companles to set up shop in member states. This is being implemented as far as private sector construction work is concerned.

A further vital area is that of aligning technical standards with those of the Six. The sectors identified for this are basically product standards, performance standards, testing and certifications and codes of practice. In many cases there is still no general Common Market standard, there often being different practices in the northern tier of states to those obtaining in France and Italy. Generally, aa with the case of building regulations, Britain's practice is closer to the German end Northern European custom than to that of the "Latins."

Equipment market

It is impossible to he dogmatic on the question of the impact of EEC membership oo costs. The removal of tariffs would have aome impact. The U.K. market for construction equipment is ebout £130m. a year, some £30m. being supplied from overseas. At the same time the U.K. sells equipment worth ebout £120m. a year abroad. The U.S. and the EEC countries supply the bulk of Britain's imports, and EEC entry would free imports from the enlarged Community from tariffs ranging from 9 per cent. to 22 per cent.

Most of the Industry's raw materials are obtained at home. Copper imports would attract no tariff under the Common External Tariff while Canadian timber would be subject to a tariff of between 5 and 6 per cent. The higher costs of this timber is likely to be offset by special terms heing agreed with Scandinavian suppliers.

It is clear from the above that the real disincentives to exporting in the construction field are non-tariff barriers like regulations, capital restrictions, labour practices, taxation arrangements (we are to get VAT irrespective of our Commoo Market entry) and restrictions on foreign tendering. But the enlargement of the home market, and the added competition from foreign companies in this country (although competition is geoerally so tight here that overseas companies have very limited ambitions) may well encourage the trend towards greater conceotratioo in the industry aod cootinuous flows of work would occupy estahlished managerial and design teams. Joint operations with Continental companies may well prove the most sensible first step for British companies.

In the building materials area it is generally assumed that specialised products should be the main beneficiaries from entry, though it should be noted that in certain fields—roof tiles in Germany—the U.K. already occupies a dominant position. The U.K. materials Indnstry is dominated by near-mooopoly concerns with limited expansion prospects in the U.K. and these may well find expansion lo Europe indicated.

The building and construction industry is like a centipede with a huodred legs. Its activitiea range from ceramic tiles and the maoufacture of manbole covers to building multi-storey flats and airport runways. Some of the legs are golog to end up with achlng muscles, and some of the feet will be trodden on. But tbe centipede will, eventually, find that it can stand on its strong legs.

Europe looks from the distance like a jungle of red tape. But it is there and we are going to be part of it. The building industry is canny enongb to face the problems of Europe, and anxious enough to see a restoration of buoyant times to explore the opportunities it offers.

Difficult period for plant hirers

By DAVID WALKER

Britain's plant hire Industry plays a degree of confidence ch seems at first to be quite elated to its recent history its likely immediate future. former has been difficult; latter is at best uncertain.

The problems of the past r or so stem largely from closeness of the industry's ks with the building indnstry. Some 80 per cent. of the nt hirers' £125m. a year nover is accounted for hy lding and construction concts.

To begin with, the downturn building and construction, if thing, belped the plant ers. For such movement ays acts is a boost to buildcontractors to hire rather n buy. As Mr. A. S. Scott, naging director of Cardiff nt, pointed out at the recent t annual conference of the ntractors Plant Association, ing has the effect of releas builders' capital normally d up in equipment, reducing ir bank borrowing, and owing more working capital. us, 1969, one of the most ficult and uncertain years for ne time till then for the jority of industry, particuly building and construction, s a record year for the plant e sector.

Bu within the industry'a lic growth—its rate of imement of around 25 per r a year from the £15m. over figure of 1961 is one he fastest for any sector of industry—grounds for ire problems were already earing.

y the end of the 1960s, the dit squeeze was affecting the ber of new entries to the ness, and keeping competiwithin it severe. More imant, the boom experienced most companies in 1969 led ı large amount of further tal investment in equipment h, thanks to the subsequent er downturn in huilding construction demand, is now er-utilised.

Hire purchase

addition, the cutback in ding led to some construc companies eotering the ges of the plant-bire field, ing out equipment for h, at the moment, they had ıse on their own projects. particular, smaller builders ld, and still to a lesser nt do, buy plant on bire base, use it for a few ths each year themaelves, then hire ont to others for remainder of the time at s which did little more than r the HP repayments.

n important product of that been to depress hiring rates rally to points where the of return on investment ined by plant hirers ia far r generally than would be ptable in most other sectors usiness.

at, in turn oas threatened standards of service offered he industry and has also ed a potential danger to stment by the industry itself and the range and variety of plant it is able to offer. Hirers are currently being urged by the Contractors Plant Association to put rates up, and an average increase of at least 25 per cent. has been named as the minimum realistic advance. Only through that, Mr. Scott pointed out at the CPA conference, can the industry prosper and continue to provide first-class service to its clients.

Bad debts

The recession in huilding, too, bas led to an even more alarming level of bad debts faced by the industry. Hirers have heeo suffering from delayed payments by huilders badly hit hy the inevitable effects of the downturn on their own-cash flow positions and from the forcing out of business of small huilders.

Quite epart from the industry's recent problem as a result of the economic situation, it has also heen facing more longstanding difficulties. Relationships with manufacturers of construction equipment are sometimea bad, even though hirers form the manufacturers' largest single market sector. Complaints abont breakdowns in expensive equipment and difficulties over ohtaining spare parts are comparatively common.

The industry also suffers from particular training difficulties, with an urgent need for skilled construction equipment nperators and service personnel. Despite a great deal of work by the Construction Industry Training Board, including the formation of an operators' training school, the very newness of the plant hire industry means that many of the companies in it lack any proper training structure.

That problem is aggravated by the fragmentation of the industry into many bundred operating units. The large number of mergers in recent years, combined with the rapid growth of plant hire generally, mean that many companies have outgrown their local origins to become operators on a national basis.

But the average plant hire company is estimated to employ only 25 people and achieve a turnover of nnder £100,000 a year operating on a strictly local basis. These small, locally based concerns are still the backbone of the industry. Alone, they have neither the finances nor the manpower to offer proper training in the use of wbat, in many instances, are now highly sophisticated pieces of equipment.

At the same time, the industry's fragmentation also brings problems of investment. When a large crane can cost over £200,000, small units are seldom large enough to afford the modern advanced plant increasingly demanded by builders. That has been another factor in the rate of mergers within the industry, and has led to forecasts that within four or five years, only a dozen large hirers will be left operating across the whole field of equipment.

At the same time, no one yet predicts the complete demise of the small hirer. There seems little doubt that be will continue to be the industry's backbone for a long time to come, supplying plant for sbort periods and filling the gaps left hy large specialist hirers providing high capacity special purpose machines. Meanwhile, the whole question of structure remains yet another problem for the industry to solve.

Other difficulties facing it arise from qnestions of transport and insurance. With equipment becoming higger, transport costs are rising appreciahly, pushed np too by the testing and plating regulations and other legislation which has made vehicle npkeep more expensive even if it has made heavy vehicles a good deal safer. Yet clients of the industry often expect transport of plant to be provided free or at near nominal rates.

Here, edjustments between the hirers and their customera are essential if the mnch-needed reasonable returns on investmeot capital are to be achieved. The situation is similar as far as insurance is concerned. Present practice varies from hirer to hirer and customer to customer, and it bas been suggested from time to time that some plant may he occasionally inadequately insured in respect of any accidents which may occur from its use.

Yet, despite all this, the industry's general confidence remains unshaken. The upturn in building activity wbich there now seems no doubt, is under way will, of course, help it considerably even though a return to prosperity in construction could remove some of the incentives for builders to rent plant rather than buy.

Essential part

But plant hire has established itself as an essential part of construction in the U.K. in a way virtually unknown overseas save in the U.S. That that could change is unthinkable, both inside the industry and outside it. And this is much of the basis for the hirers' confidence in the face of the difficulties they know they have to overcome and the changes they are in the process of making.

On a more practical level, hirers have already, indirectly, been aided by the Goverment. The change from investment grants to a system of profit-orientated allowances has ended the discrimination whereby builders in development areas received a 40 per cent. grant on plant they bought and one of only 20 per cent. on equipment they bired. Now, buying and hiring have been put on a par there, meaniog that some further movement toward plant hire in the relevant regions is certain.

BUILDING VIII

Maintenance rethinking needed

By TED SCHOETERS

"In maintenance, the Committee has found that information and communication problems occur in every part of tha subject." . . . No better comment on the whole problem could possibly be found than these words from the Secretary of the Interdepartmental Committee on Building Maintenance, Mr. V. Nohle.

Describing the work of this six-year-old group to a recent symposium, Mr. Noble said that its final report should be in the hands of the building industry shortly. That it will be a most comprehensive study is borne out by his résumé of the areas into which it has had to delve—economics of maintenance and the effects of taxation; the place of maintenance on the country's 17m. dwellings in the national economy; the law as it stands with its inconsistencies in the protection of the buyer or tenant; foreign laws and regulations; and so on.

He posed the question—as his committee will do in its report—whether it is not obviously better to regulate maintenance as Britain's two major Common Market partners already have done; Germany directly by a set of laws and France through insurance. But in the many months before sucb rules or laws can come into force there is a continuing need for knowledge on the part of designers and builders, as well as of local authority surveyors and of maintenance officials.

Part of this need bas already been met by the Committee through the establishment of the Building Maintenance Cost Information Service. Nevertheless, there still is a daunting amount of work to be done on general communications as Mr. Noble's statement sbows only too clearly. He sees the active parties in the designer, builder, owner, maintenance man complex aa overwbelmed by the great flood of new materials and new techniques now available to them and, while commending the work of the Building Research Station and Agrément Board, clearly believes the message is not getting through to the points where tronble through lack of up-to-date information will start.

Central points

Suggestions are for more widely spread testing and advisory services — perbaps operated by the new larga local authorities—relying on BRS and Agrémant as their central points of reference.

Again Mr. Noble puts his finger on a trouble spot by a reference to the organisation of small building firms with their ad hoc accounting and often unsatisfactory behaviour when it comes to carrying out work "promised" to bouse and other property owners. The suggestion here is for a handbook for the smaller builder who wishes to improve his efficiency. This would be published by the National Economic Development Office.

Thus in two key areas—technical information and advice to the hordes of small building firms—there would be more precept and advice than ever before. But with the present acute shortage nf reliable maintenance men, outside tha areas of high employment, precept is not enough and it is indeed a waste of time and money to set up new information services—there already are 500 organisations dealing with construction information — so loog as the fly-by-nights can cock a snook at decent wnrkmanship and leave houseowners or tenants with a botched job, facing the alternatives of the high cost of making good or the lengthy and expensive process of recourse to law, as it stands.

Sharper and longer teeth in the law soon would awaken a "need-to-know" in the minds of offenders. A more specific approach to maintenance problems under headings containing that word hy the research and testing authorities would also help. It is surprising that although perhaps half the subjects covered in the BRS programme for 1971 actually touch on maintenance in one way or another, only one title actually contains this word.

Most recent available figures on national expenditure for repairs and maintenance are for 1969 and put the total at £1,865m. compared with a total property replacement cost at that year's prices of £104,000m.

Maintenance is thus absorbing a large proportion of the building industry's efforts and any action that can be taken to reduce the proportion of £125 per square metre on maintenance, against up to £75 per square metre for construction will be well worth while. It is true that the average age of property is between 30-40 years, but there does not seem to be any levelling-off in charges as structures age so that a radical re-think of the whole approach to the problem appears to be necessary.

Design quirks

It is bigh time that men trained to look for trouble—the maintenance managers—should he brought in at the start of any project and not when a building is banded over. Advice from men who have experience of some of the quirks of designers and architects would preaerve the latter from mistakes which, in the future life of their product, would save owners from heavy costs, even if initial charges for the structure were somewhat higher.

But involvement of the designer with an activity such as maintenance (tha two have normally been poles apart) means that the contractor also will become involved and, indeed, some of the big contracting organisations are turning to maintenance as part of the service.

This is feasible and excellent where there are large groups of bouses and/or property to look after. But it is hard to see how it can apply to older properties bnilt by small firma many of which disappeared during the war. It does not take into account the practice copied from the U.S. of built-in obsolesence on some speculative building sites.

One solution would be a form of contract containing a guarantee by the contractor on the performance of the building in the first several years of its life—or extending the original contract to cover maintenance in this period.

Suggestions have been put forward of copying American practice and even extending it by enconraging hig cleaning contractors to undertake minor repairs to electrical services, glazing, plumbing and so on as part of the overall job.

This again does not help the private owner and if, as the present Administration intends, more and more homes pass into private ownership the paradox nf an urgent need for common sponsorship of building maintenance enterprises on a street-by-street basis will become even more apparent if the Englishman's home is to continue ta be his castle rather than his slum.

New era for standards

By ROHN HOPPER, British Standards Institution

November 26 is likely to be one of the most important days in the history of the construction industry in this country. On that day, at a conference connected with the International Building Exhibition, the Britisb Standards Institution and the Modular Society will present the case for "Performance Standards."

It is no exaggeration to say that performance standards (or specification by performance) is the new, and perhaps the most important, step the building industry will take towards rationalising the construction process—equally as important as the change to metric and the disciplines for co-ordinating dimensions.

In its position as the country's largest single industrial unit, the efficiency of the construction industry has an undoubted bearing on Britain's economy. Dimensional co-ordination rationalised system building into an industrial process, so that all manufactured components for a given purpose would fit into any building design, and could be mass-produced and made cost-effective. Performance standards adds to the scope of this advance by defining the performance or user requirements and leaving open the cboice of product design and the material from which the product is manufactured.

They describe simply the cnntemporary approach to elevate theconstruction process by improved building design in the first place, and—down the line—design and manufacture of components and site assembly. The aim is to meet more closely user requirements, and they are baving a profound effect on the wbole pattern of building as we know it to-day.

At the beart of the philosophy of the performance approach in standards stands the ability of users to state wbat their requirements are in scientific and technological terms. If this is done the designer, specifier, contractor and manufacturer will he able to be précise about how to meet these requirements and will, at the same time, he unfettered in their choice of design, materials, prodncts, etc. It will enable the levels of requirements to be recognised in relation to the use of the building rather than unguided selection directly from a manufacturer's catalogue.

Internationally, the U.K. has considerable influence at present, largely through trend-setting in dimensional co-ordination. This offers (through the International Organisation for Standardisation) an opportunity to restructure our technology and standards and cbeck to ensure their compatibility with fast-developing technologies of other countries, especially those of Western Europe.

Definite trend

BSI, the Building Research Station, the Agrément Board, various Government departments and leading manufacturing trade associations, bave been actively considering the performance approach. Performance specifications are a definite trend (indeed BSI bas already produced performance requirements for windowa). The need now, to prevent the chaos of fragmentation, is for the discipline of a rational and harmonised approach through standards publication.

How dòes the performance standard differ from the traditional product and test standard, or code of practice?

Behind the question is the need to look at the performance of a huilding as e whole—not jnst as a series of dimensionally co-ordinated assemblies of components and materials, hut as a total functional unit satisfying the user's requirements. Natural environmental factors should be resisted with the maximum efficieocy and durability possihle, reconciling user needs with the forces of nature and pollution to give nationally-acknowledged and satisfactory buildings solutions.

The answer lies in the word "performance." The present categories of standards, while covering much of the construction process and regulations, must, in some respects, be inhihiting, because they are tailnred to traditional situations. Performance standards, on the other hand, are nationally agreed specificatioos drafted in the full knowledge nf the requirement of the building as a whole and related to the specific requirements of each functional part, but leaving a great deal of freedom in design and materials.

This is not to say that the present system of standardising the end product bas not been comparatively successful. The wider use of standard specifications througbout industry, and the application by purcbasing and contracting agencies, are sufficient indication that the system works, by and large.

But, clearly, in an industry subject to very few publisbed disciplines, progress will come through the efforts of individual designers/specifiers and contractors working together from the inception of a project to reduce costs by taking advantage of all that the latest technology has to offer. By their very nature, performance standards will make this possible by defining the level of performance required regardless of the individual characteristics of the products which achieve them.

Interim report

Last year, the Building Divisional Council and the Council for Codes of Practice of BSI authorised an investigation into the implemeotation of the performance approach througb standardisation. The panel, led by Professor Jack Napper, Emeritus Professor of Architecture, Newcastle School of Architecture, bave just submitted their interim report, which has been accepted by the councils. Before contioulog the aecond stage of studies, the panel felt that it was necessary, having examined the prospect of performance specifications in British Standard publications, analysed their advantages, and polnted to their complexity, to seek constructive comment, reasoned opinioo and authoritative advice from industry by presenting some of the implications of performance thinking in specification and standards writing. A document asking for industry's participation will be widely distributed after this article has appeared.

It is proposed that performance standards should appear in concert with existing product standards and codes of practice. Testing will become a strong feature of the performance approach in order to establish if the level of requirements set in performance standards is met. Methods of assessing components will have to be accompanied by substantial increases in schemes for certification, and such schemes may well extend to cover codes of practice.

No one in industry underestimates the enormous ramifications of the change towards performance specifications, or the relationsbip hetween design and quality assurance. Determining the roles for BSI to play will need the good will of, and skilled participation from, the construction industry as a whole; but, whichever way the planned programme goes in detail, the results for industry can only be the same—unfettered technological development, a more coherent and econnmic methnd of designing buildings, and a situation in whicb architects, surveyors, contractors and manufacturers are speaking a common language of achievement.

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Wide scope in research

By J. B. DICK, Director, Building Research Station

The Building Research Station at Garston, Herts, centre of research for the construction industry, is celebrating its 50th birthday this year. To-day, with projects on its £2m. a year research programme and a staff of 800, the station represents a great contrast to its stark beginnings in 1921. Then work began with a staff of less than a dozen, research work was housed in disused army hutting at East Acton and research expenditure in the first year was less than £6,000. These simple beginnings were the start of construction research, not only in the U.K. but in the world and the formidable task facing tha research staff was to "put science into building."

In 1925 the station moved to its present home at Garston, near Watford, and bagan the building of a research centre which bas become the model for construction research establishments all over the world.

War problems

One of the main developments at BRS in the 50 years since its inception has been in the range of subjects dealt with. At first most of the work was concerned with materials and especially their properties and their permanence in use. Very soon work began on structural strength and on beating, ventilation, lighting and acoustics. In the 1939-45 war brought its own problems — civil defenca research, repair of damaged buildings and use of substitute materials.

After the war, expansion recommenced with particular emphasis on environmental physics. In 1950 came the transfer to BRS of the work on user requirements, mechanical plant and operations and economics, from the then Ministry of Works. The need to help colonial territories with their building problems led to tha establishment of BRS Overseas Division which now bas the brief to help make the station's work available to any country receiving British development aid.

The BRS Urban Planning Division was set up in 1966 so that the station could extend its research in this field and specifically undertake work for the architect-planner.

In 1970 the Building Research Station Advisory Service was set up to advise on all construction problems within the considerable expertise of the station. The service was welcomed by the industry and used extensively, particularly in the field of the longer type of special investigation involving research for a cliant.

In parallel with this widening range, the work has also developed in other ways. In common with many other researcb institutes, there bas been a long-term increase in the sophistication of the laboratory eqnipment and tha experimental facilities on the station. The purchase of an electron microscope and probe, the installation of a computer, the provision of facilities sucb as anechoic and reverberant chambers and the special laboratory for research on structures, all imply higher capital investmant per member of the research staff. There have also been changes in tha scope of the subjects to be tackled. At first it was mainly materiala which were studied, then components and then assemblies and complete buildings. Similarly the bulk of the early work was done in the laboratory, but an increasing amount of work bas been done on mock-ups, on completed buildings, on building sites and social surveys of user experience and behaviour.

The station in recent years has also undertaken a certain amount of development for example the current work on the Go-Con pressed panels and glass reinforced gypsum plaster and cement. The Go-Con process for pressing concrete panels has been developed by BRS over the past seven years. The pressing process is a rapid and economical method of making panels of any sbape and size within the capacity of the machine. The exclusive licence for the commercial use of this technique has been granted by the National Research Development Corporation to Go-Con Concrete Limited, a company set up specifically to promote the process and backed by several powerful industrial groups.

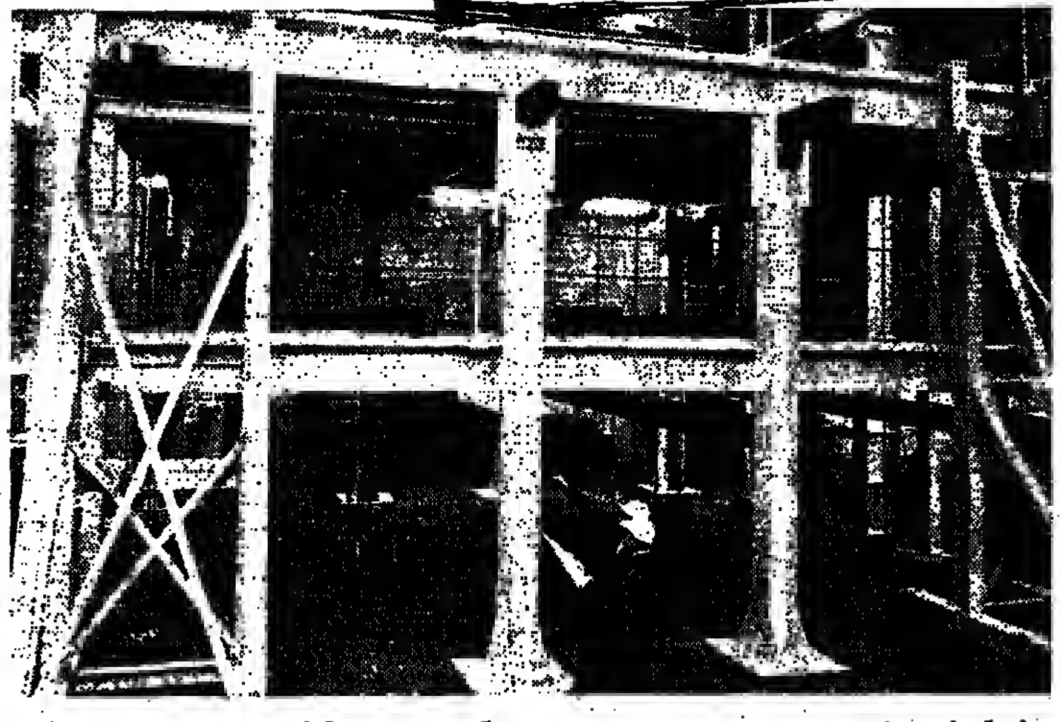
Glass fibre

Alkali resistant glass fibres for use as reinforcement in ordinary Portland cement were developed by the Building Research Station and are now belng produced on a pilot scale by Pilkington Brothers Limited, who are collaborating in this research. Work is proceeding at the station on tha development of production technique for glass reinforced cement composites and components tha* best ntilise and demonstrate the properties of this new material.

Glass reinforced gypsum plaster was used as a mock-up material during the development of fabrication techniques for glass reinforced cement at BRS. It was soon found that this composite—made from commercially available E glass fibre and hemihydrate gypsum plaster—was in itself a versatile new structural material with excellent fire resistance and good tensile and flexural strength. Components were deslgned to demonstrate the material's properties, including a school partition system.

In 50 years the Building Research Station has carried out thousands of research projects, many of which have bad far reaching effects on construction technology and thus entered the lives of millions of people. The station is primarily an applied research institute; its research is undertaken with application in mind, the final aim being to effect change in practice and not simply to pursue knowledge for its own sake. Essentially in the selection of research projects the station adopts a cost/benefit approach to choose between alternative proposals. The estimation of the cost/benefit ratio of a research proposal is not yet an exact science, but there is no doubt that the approach can lead to better decisions: a more conscious assessment of the character and scala of tha probable benefit certainly represents a valnable step forward.

The broad outline of the station's work, now and in the future, is decided by four objectives: improvement of the environment within and around buildings, including the study of re-using waste materials; helping public cliants to get value for money in construction work and improving wherever possible the efficiency of the construction industry; provision of independent scientific advice, free from sectional interests, on the requirements of regulations, codes and standards; and the improvement of forecasting techniques to help towards optimum use of resources by the industry.



The BRS structure laboratory where a pre-east concrete system is being tested.

Advances in computer use

By TED SCHOETERS

If all things were perfect in this imperfect society, it would now be possible for every architect or qnantity surveyor, indeed anyone involved in a building or civil engineering project, to make his contribution in such a way as to dovetail dynamically into a computer control system.

With minimum paperwork and nothing more than a set of routines ostensibly having little or nothing to do with compnter processes, each discipline would contribnte to the formation of the complete concept and the model thns built up would be designed to have its various parts react internally in obedience to pre-established rules, producing information and questions vital to the various participants.

The ultimata could be an instruction centre or centres at the site where information controlling the work would be displayed and where details of progress would be fed in—eliminating for ever tha consultation of plans and blueprints. Each step would fit into a streamlined progression with waste of time and duplication of effort a thing of the past since routines such as materials and plant ordering at the correct time, payroll handling and so on would flow automatically from the standard information fed in during the previous contract stages and the basic control programmes.

Reality is far from this ideal. Official efforts to achieve some measure of standerdisation in certain areas of operations, in progress since 1967, are only now starting to show some results, and all the time-expensive programming work is being done to solve problems—analysis of structures, for instance—which bave already been solved not just twice over but perhaps 20 times.

Industry reaction

Partly due to the diversity of computers in the 50 or so large installations employed by the construction industry and partly to the old Anglo-Saxon "NIH" (not invented here) reaction, this situation must be resolved in time as economic pressures in the country and within the industry continue to build up. But it is surprising how many computer people still are ready and willing to reinvent the wheel in the secure knowledge that senior management will not recognise this operation for wbat it is.

Meanwhile, under the aegis of the Department of the Environment, Loughborough University and the National Building Agency are promoting standardisation at different levels: from outside the field, the Department of Health and Social Security has put considerable effort into "CUBITH," a bold attempt to cut paperwork on hospital projects to negligible proportions by banding over documentation to computers.

Foundation stone for this work is the Department's manufacturer data base—indeed, the most complex part of all these moves towards standardisation would appear to be getting all those involved in any given area to agree on definitions and on coding for the bundreds of thousands of manufactures and equipments they handle in the course of their operations. Several committees have been dragging out decisions on wbat admittedly is an important area—for far too long in view of the difficulty of general progress without this basic agreement.

In the commercial world one name immediately springs to mind—that of tha Barbour Index, whose promoters for several years have been pursuing the difficult task of setting up a complete library of published data on building products and components, with the proviso that the library must be availabla for consultation at electronic speeds. This is being achieved by compnterising the fila of information which now contains 20,000 individnal publications representing over 200,000 pages of detail and forms a "skeleton" data bank beld on a computer. Barbour bas decided on analytical presentation of data and has made compilations of information on sanitary fittings and bricks so that an inquirer specifying needs could ba given a list of products most closely fitting them. But this does not solve the illustration problem and the company is working witb Portsmouth School of Arcbitectura on compilation of guides in the form of a visual index.

But to return to Loughborough, which has been made the centre for a most important civil engineering service—Genesys—on which some £200,000 of public money is being spent. It results from an effort made soma four years ago to find out whether it would be possibla to get away from the difficult problem of using widely different computers by writing a library of routines capable of analysing various types of bridges or road lay-outs in a generalised form. But the library would contain a master program which would provide the linking software enabling the routines to run on a particular computer.

Overseas selling

Work has advanced so far that a number of routines are already available for use at the centre on an ICL 1904A or through the SIA bureau's CDC 6600 in London and ara being made available for operation on the many IBM 360 compnters in use in the country.

Dr. R. J. Allwood, who heads the centre, has aroused great interest in the development across the Atlantic, wbere recent adversity in the computer world has provoked an awareness of the need not to waste any of the man-bours of expert time a complex program suite demands. Program interchangeability is the new watchword and Genesys is one key to this economy. The centre is thus involved in a vigorous overseas selling campaign both for the system and for the programs in its various sections. But the final success of the idea inevitably must come for the support made available from domestic industry itself.

Dr. Allwood told the Financial Times that so far as ha knew, this attempt to make available such an extensive suite of working programmes, independent of machines and manufacturers' software, was unique. This probably explained the degree of interest in America, which could hardly ba considered backward in applying computers.

One year old is a generalised management information and control system designed for application to construction projects by the National Building Agency. Normally it would be used to evaluate and review the building operation through a compnter bureau but it can ba used by organisations with their own machines.

"COMPACT" is intended to absolve the user from the tedious and expensive job of planning his own PERT system. Input of information is on standard forms. In return planners and site managers receive a wealth of detail on timing, costs, labour, plant and materials required and so on. Periodic reviews made automatically in course of construction single out areas where management needs to act to keep progress and costs in line with estimates.

The most important aspect of this system is the schedules it produces to tell management wben designs should be sent in by architects and engineers and wben materials should be ordered and delivered. It is probably a common feature of most systems like COMPACT but the important point is that NBA bas done a comprehensive job and that the work is widely applicable. There is, again, no need to reinvent the wheel.

Much more ambitious is CUBITH, best described as a systems analysis approach to the vast problem of the Department of Health and Social Services in building the specialised facilities it needs all over the country with speed and economy. Computing is intimately involved with the application of the various stages of this approach and it has been used on many occasions now to control hospital construction.

In the world of industry, several computing operations which were first set up to support construction or planning activities within a group have "gone public," so to speak and are offering services as bureaux. Routines developed to suit the industry's particular problems are widely available and with tha trend among computer owners towards greater reliance on the specialist in a given area rather than doing all the work in-bouse on inadequate equipment the future for specialised services seems assured.

BUILDING X

Definite trend towards negotiated contracts

By F. E. GOSTLING, Chairman, Contracts Committee, National Federation of Building Trades Employers

In May, 1967, the Building EDC issued a report entitled "Action on Banwell," designed to examina how far the recommendations of the Banwell Committee on the Placing and Management of Contracts for Building and Civil Engineering Work bad been implemanted and, wbere appropriate, to make further recommendations.

Paragrapb threa of this report, "Appointing the Contractor," made it quite clear that there was a definite trend towards negotiated contracts in public building and the Building EDC Committee firmly advocated this form of selection and recommended "that Central Government departments continue to urge the use of negotiated contracts on local authorities, especially for larger acbemes." Indeed, at this time, with the active encouragement of Central Government, mainly througb its National Building Agency, an increasing interest in, and use of, industrialised building and rationalised systems was opening up still further the possibilities of negotiation and a greater participation by the contractor in the design process.

Public sector

The EDC Committee had, of course, obtained its statistics from work carried out in the public sector. Clearly, it is impossible to ascertain exactly bow the private sector places and manages its building work. However, the manner in which Government and public bodies conduct their affairs has great influence on those who operate outside these institutions, and private corporations and individuals, having far greater freedom of action, tend to move far more quickly once a trend has been set. That the trend bas been set is made clear by the numbers of contractors of all sizes quite prepared to enter into negotiation, fully realising that their ideas and methods bave to make a real and meaningful contribution not only during the construction process but at the design stage *also*.

It is for this reason that some contractors devote a substantial part of their organisation to the promotion and development of negotiation, to some participation in design and to costing so that the full use of techniques and systems sponsored by them, and the experience gained by these specialist departments, can effectively contribute to worthwhile savings in time and cost—all this within the traditional arrangements wbereby the building owner's professional advisers control the operations and arrange for the co-ordination of the many activities involved.

In aome situations tha contractor could be providing a larga part of the *design function* in the form of a system wbere the production units are manufactured off-site, or wbere equipment has been produced to provide standard modules or components for on-site production, or where the building process has been rationalised to fit in with the easy assembly of standardised units manufactured under the direction of the company operating the system.

Most building contracts readily lend themselves to negotiation, particularly those wbere the nature of the work is such that very careful selection of a contractor is vital to tbe successful outcome of the project. In sucb cases there may be one or maoy *key* factors to be taken into account, aucb as speed in execution, the size of the scheme, the complexity of tbe operations envisaged, the highly specialised nature of the work, the location, and the risks involved, to name but a few. The need to save time is usually the principal factor in a decision to negotiate. A manufacturing company with an over-full order book needs new buildings quickly, a developer with an expensive and valuable site wants bis investment to produce revenue as soon as possible, a local authority with a large and urgent housing programme; these are typical situations in which time is an important factor to the client.

Pre-contract time

The period between the client transmitting to the designer what be thinks his building needs are, and the actual *start* of building operations on site *is* known as pre-contract time. On some projects this period can be as long and aometimes longer than that needed to construct the building: finalising the cliant's requirements, carrying out site surveys, obtaining town planning approvals, Office Development Permits, or Industrial Development Certificates, conducting negotiations with adjoining owners, observing traffic requirements—these are only some of the matters to be dealt with. All take up valuable time.

It will be seen therefore that a commercial or Industrial building owner in urgent need of accommodation, and/or having acquired an expensive site and faced with such daunting prospects such as those I bave outlined will press his professionl advisers to shorten this expensive pre-contract time by every conceivable means.

Pre-contract time is not only expensive in the direct terms of general expenditure, fees, interast cbarges, the loss of revenue or revenue potential, but also in tbe Indirect terms of the cost of inflation. Quantity surveyors and others responsible for cost evaluation and cost control of building projects are acutely aware of the effects of increased costs due to inflationary pressures and the problems that arise in making adequate allowances in any feasibility study.

The early appointment of a contractor can bave many advantages—the early involvement of the men wbo will control the production of the building leads to familiarisation with tha project and the "feel" of it: the *team* becomes used to working together before operations start. The contractor, being concerned with production in terms of time and cost, is often keenly aware of the problems thrown up by a particular location and project, and because of previous experiences, is often in a position to maka positive and valuable contributions at the pre-contract stage: by having already available the necessary machinery, equipment and the "know bow," and by being able to offer advice on the relative valuas of various methods of construction. As most modern buildings are complex in that mecbanical and engineering elements—heating, ventilating, electrical, *lifts*—represent a substantial part of the whole, lt will be seen that there is not only need, but a distinct advantage in the contractor's early involvement and participation in decision taking.

Local firms

Often a contractor is selected for negotiation because he is well-known to the professional advisers or to the client, or to both, and this forms the basis of many satisfactory relationships among the very small local firms as well as among medium-sized firms and large national contractors. In some cases a contractor, whether large or small, may provide a highly specialised service or category of skills, and here selection can be almost automatic.

For some building owners competition by price is an essential part of their purchas*ing* and tendering arrangements, and of course there are clients wbo feel that they would be failing in their duty to those wbom they represent unless they tested the market, and that negotiation with one contractor is unacceptable. It is for this reason that tha system known as "two-stage tendering" is being increasingly used as a means of early *selection* by competition. The first stage of this method is for the professional advisers to invite a limited number of contractors who they consider are beat equipped in terms of size, management and technical ability to carry out the work to tender on bills of approximate quantities, notional bills or *schedules* of rates that are applicable to the project in hand. With the result of this preliminary or first stage resolved, the professional advisers enter into negotiation on the second stage with the successful tenderer. By these means many operations can proceed in parallel, which not only saves time, but can result in a better building being handed over at the end.

The observation made in the Emerson Report of 1962: "In no other important industry is the responsibility for design so far removed from the responsibility for production" is an over-simplification of a complex problem. But if the early involvement of well-equipped and competent contractors along the lines I bave described here can make this criticism less valid—as I believe it can—then so much the better for the industry as a whole as well as for its clients.

Firm price tendering a cause of bitterness

By MICHAEL CASSELL

The building industry is at something of a loss in knowing just wbat it can do next. Rarely has lt launched *such* an Intensive and prolonged campaign to alter a Government's way of thinking but with such little effect.

The centre of the controversy, lest there should remain anyone remotely connected with the industry who is not aware of the situation, is the firm price tendering policy which was introduced again in 1957 and obliges any builder to provide definite cost quotations on any public works contract expected to last for up to two *years*.

Arguments, from both sides, are quite straigbtforward and each party ls equally convinced of tbe validity of its own case. The charges of the industry and the defence tactics of the Government have not been very well rehearsed in the last three years and in 1971 the campaign bas certainly reached a climax. It has served to illustrate the industry's ability to shout as loudly as anyone if lt feels it has a justificd complaint but at the same time bas ahown how even the most vociferous and persistent lobbying tactics can fail to spark Government action if that Govenmant firmly believes the policy under attack is in the best interests of the nation.

Price rises

Inflation alone has brought the firm price tendering row to a bead. The policy worked well until abnut 1968, when the prices of building materials began to rise sharply. The industry now claims tbat with price increases continuing at an unprecedcnted rate any Government directive which compcls builders to estimate the pattern of costs over a two-year period is a nonsense. To cope with such a situation, they say, the cnntractor is forced to build into his tender a sum to take account of price increases which he can only attempt to predict.

As the president of the National Fedcration of Building Trades Employers said in one of his latest forthright attacks: "The only possible consequences, it appears to me, are cither that contractors will refuse to tendcr at all on a two-year firm pricc basis or that they will simply load their priccs unmercifully in order tn take care of all possible cost eventualities."

The Government, whicb places Mr. Julian Amery, Minister for Housing and Construction, in the firing line, has been accused of being "short-sigbted" and "obstinate" in its insistence on the continuation of a "twisted and spurious policy"—harsh words from an industry whose prospects are nevertheless considerably brighter than they bave been for some time, albeit in only certain sectors.

Price restraint

Its total opposition to the existing ruling has not been diluted by the recent Confederation of Britisb Industry price restraint initiative—supported by the Government—which involves the holding of price increases to 5 per cent. over the next 12 months. This, say the builders, is tantamount to an admission that one year is the maximum period over which price movements can be forecast with anything like accuracy.

Back to Mr. Harry Shouksmitb, NFBTE president, wbo said after Mr. Amery's last refusal to change the policy: "In the context of the CBI limitation on price increases for one year, it is quite incredible that the building industry ahould continue to be pcrsecuted in this way. At a time whcn building costs are rising at a rate of 10 per cent. a year, it is grossly unfair to insist on firm prices from contractors for so long ahead wbile no such guarantees are sought from materials suppliers or manufacturers."

The contractors have repeated on aeveral occasinns that they do not *oppose the* policy on principle bnt they claim it is simply unworkable in the existing economic climate. There are signs, of course, that this climate might change but there bas been nothing of any major import so far on the prices front wbicb would see the builders toning their attacks down.

A compromise, they state, would *suffice* and the most popular formula involves the reduction of thc two-year period to one of 12 months. Popular, that is, with the industry, for neither has this suggestion made any headway with Mr. Amcry.

The Ministcr has contended throughout that thc policy is disinflationary and claims that firm price hids continue to be made freely with little or no evidence of undue provisions being made for the "X" factor—unknnwn future price increases. Neither, he is quick to add, do individual companies appear to have suffered untimely deaths at the hands of the firm price tender.

The builders in return claim that the policy has only appeared to be palatable because of tha recent low levels of activity within the industry which has led to tha acceptance of work under far from satisfactory *conditions*. *As* another compromise they have suggested price variation clauses, to allow for cost fluctuations on that part of a contract most susceptible to increases, but the overwbelming additional volume of administration work such a decision would provide cannot be easily overlooked.

In September, the Federation of Master Builders laid down a cballenge to the Government to provide the industry with an opportunity to test the contention that the policy was disinflationary.

It was suggested that a cross-section of contractors in the industry should be subject to the existing regulations while others would be free to operate a rise and fall clause. Comparison of the fortunes of the two groups would provide the answer once and for all. The challenge has yet to be taken up.

So the industry nas stated, via the NFBTE, that it can no longer support the Government in this policy. It can now do little else for in directing members not to accept public works contracts, it would run foul of the Restrictive Practices Act.

All its considerable efforts to date have had little effect, although Mr. Amery has shown himself to be genuinely sympathetic to the builders' cause. His reluctance to change the situation, however, does not mean that the construction industry will not be carrying on with the fight.

Management methods and productivity

CLEEVE BARR, Managing Director, The National Building Agency

king the industry as a e, productivity is probably asing—slowly. One can- prove it, however, and the ity of available statistics is y questionable. The top n shows the general in- e in the gross output of ndustry from 1963-1970, at ant prices, divided by the ally recorded total number en employed by firms in the stry. From these figures one d deduce that the average al increase in output per tive has heen 5.4 per cent. t unfortunately this is only of the story.

"The Lump"

e official figures for the try's labour force do not de "the Lump." This un- phrase describes tha asing proportion of crafts- and labourers, who escape ayment of SET and other eductions by offering their r as "self-employed" . They are not usually ered as bona fide sub- actors and many indivi- —it is commonly alleged at least part of the tima ng unemployment benefit ell. The Phelps-Brown t in 1968 estimated "the " at 165,000-200,000 men. y it may well he a quarter million. Even allowing ch large numbers of self- yed workers, prodnctivity nan in the industry has increasing at over 2 per per annum.

n this, however, begs a er of important qnestions a as the quality of work t, the price paid for lt, he capital resources in- l. Such as it is, how has icrease ln output per man achieved? How can it he ved?

t let us dispose of the r fallacy that increased tivity means that workers ot to work harder. Studies shown that a great deal workers' effort goes in ting inefficient organisa- nd management of the o be done. Conditions on many building sites are still appallingly bad and thia inevitably leads to low output and poor standards of workmanship. Some huilders have shown what can be done to increase productivity hut unfortunately they are still in the minority.

Bricklaying serves as a good example of how crude productivity increases can ignore real improvements that have occurred. In most surveyor's manuals the labour constants used for hrickwork—which reflect productivity—have been unchanged for many years. In fact, one strongly suspects that no contemporary hricklayer ever attains the number of bricks laid per day in the last century, when the hack-to-back terraces of our northern industrial towns were built, or even the outputs achieved in the cheaper speculative housing of the 'thirties. The quality of such huilding was often terrible and men worked under the constant fear of unemployment and other misfortunes (Tressall's "Ragged Trousered Philanthropist" which describes the building industry in the early years of this century ia still well worth reading).

Brick analogy

Increased ontput to-day from individual workmen doing traditional building tasks, is usually achieved by financial incentives. To pursue the hrick analogy, if a man on tha basic rate wonld lay in straight walling, say, 700 hricks a day, he will lay 1,500 to 2,000 if the builder will pay him a sufficient reward. Whether this is worthwhile from the point of view of the huilder or an individual client depends, of course, on the importance to the owner of speed of completion, on the ratio of overheads to labour on the site, on how the developer is raising his money, on bow and at what intervals the builder is being paid and so on.

The lower graph shows tha relative increase in building labour costs compared with the costs of materials and indicates the results of a policy of too easy reliance on financial incentives. It also shows the reason for the trend away from labour intensive methods and the development of systems which rely beavily on off-site manufacture of component parts.

Financial incentives for the operative—leaving aside the important social issues lnvolved hecause there is simply no space in this article to discuss them—are, of course, simply one aspect of the proper use of resources (lahour, materials, finance) by the builder and the huilding owner. This in turn points to the need for better co-ordination between designers and specifiers (architects and surveyors who are preparing the drawings and bills of quantities), the contractor who erects on site and the suppliers and sub-contractors who provide him with materials, components and specialist work. It also relates to the need for planning and managing tha design and erection of a building project as a continuous operation.

New techniques

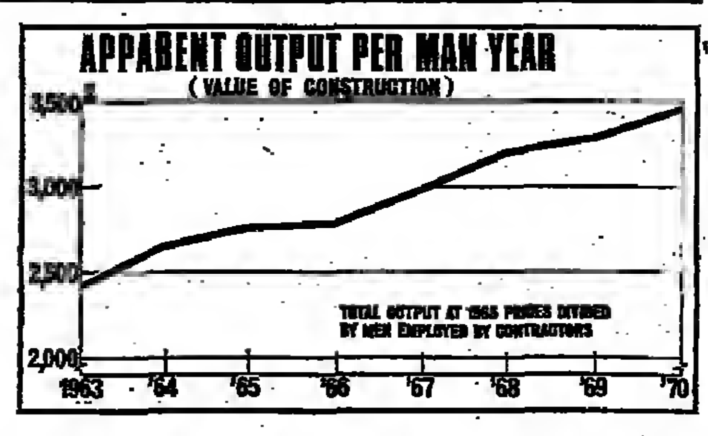
In the past four years this has given rise to great interest in the industry in new management technlques—critical path analysis, computers, resource analysis, and so on. Unfortunately these have all too often heen either wrongly applied or introduced to organisations who have not had the basic management talent to absorb and use them properly.

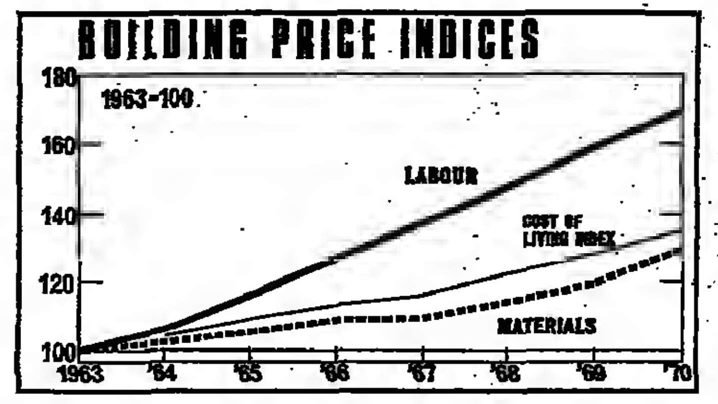
The National Building Agency launched a year ago a very simple method of compnterised programming and control technique called "Compact," which is having considerable success with smaller and medium-sized firms. Given a very elementary management structure, wlth responsibility for planning, hrying, and job control allocated to adequate staff and directors, it permits the bullder to plan and control simply and at a fraction of the cost of more sophisticated systems, as few, or as many, activities as are appropriate to a given size of job.

The National Building Agency had as its initial task some seven years ago the appraisal and encouragement of new huilding systems in the housing field. Undoubtadly system-building in schools and hospitals as well as bousing has contributed substantially to the general improvement ln output per man with a peak around 1968. The passing of this peak however by no means indicates that systems are finished and that designers and builders are reverting to traditional construction. It means rather a better integration of new techniques with the use of traditional materials and the more sophisticated edaptation of system-building methods to traditional design.

In a recent study carried out by the NBA on some 30 local anthority sites, it was clearly shown that system-building produced a significantly higher output from site labour than tbe generally accepted norms from traditional construction. The average number of man-hours required per house on the system-built sites was only half the national average for all local authority houses—1,140 as against 2,200 man hours. The average building time for the system houses was also only 30 weeks as against a national average of 53 weeks.

The systems involved could by no means be regarded as using advanced technology. They were largely in fact semi-industrialised methods using traditional materials. One of the main conclusions of the study—in regard to achieving a higher output per man—was the overwhelming importance of better management—regardless of the technology involved. In fect this might be said to be the main conclusion whicb derives from all the studies and development activities of tha National Building Agency to date.





The opportunities of metrication

By TONY FRANCE

Years ago leaders ln the bullding industry declded that the conglomeration of components they used, each available in a variety of dimensioos apparentiy chosen et the whim of the manufacturer, should be rationalised and rednced to a logical scheme. Building has developed with dimensions directly related to man, architectural designs that are compatible and acceptable to bis proportions, and components that are convenient to his hand. This was fine when tha pace of life was slower and individual craftsmen shaped a building and lts parts, but it rapidly became intolerable when prefabrication was introduced, and everything had to fit together on site without the expensive use of skilled craftsmen to redress errors.

This was the situation which stimulated what was called the basic module, a chosen dimension which in multiples or sub-multiples wonld provide all the required sizes of every component in a logical progression. Unfortunately, as an industry, no final agreement could be reached on what this basic dimension sbould be. Now, to a large extent, the decision has been taken away from the industry and rationalisation is being imposed hy Government decree.

The official term is "dimensional co-ordination" and the construction industry is almost tha only one that is llnking the change to metric dimensions, abont which there is no option, with a decision to rationalise those dimensions. Dimensional co-ordination means the establishment of a limited range of related sizes to be used ln the design and construction of bulldings and in the manufacture of components.

The purpose is "to improve value for money and produce an appreciable saving in building costs by reducing the number of components required, by eliminating cutting to waste and by raising productivity, both in the factory and on site" (MoHLG Design Bulletin No. 16). It is stated that by providing interchangeability of components at the design stage it is intended to widen rather than reduce the choice of solntions open to the architect and the client.

But, as the British Standards Institution points out, architects who design now in imperial measnres will produce buildings that will be obsolescent as soon as they ara completed hecause it will be well nigh impossible to maintain them once imperial dimensioned products are no longer manufactured. The National Federation of Builders and Plumbers Merchants estimates that in five to six years non-metric products will no longer be stocked, even for repair and maintenance requirements—a point which clients may like to keep in mind when discussing plans for future building work with their architects.

Basic sizes

The key British Standards for designing in metric have now all heen puhllshed. The first was BS 4011 *Basic sizes for building components and assemblies*, in which the basic sizes are in descending order from a 300mm module. Within each category, such as windows, door frames, wall panels, floor slahs, etc., the resulting co-ordinated sizes should he the same in all materials, and where a number of components ara assemhled the overall sizes of the assemhly should ba in accordance with the basic sizes of BS4011.

The co-ordination of building dimensions was established with a series of standards which allow architects to design in co-ordinated metric dimensions and manufacturers of prodncts to go a long way towards filling the need for metric components (BS 4606, PD 6445, PD 6446). Part of the metric programme included production of a list of building products which enables anyone to identify components likely to he affected and the way in which they will be affected (PD 6432). Highest priority for metrication is given to rigid flat sheet materials such as asbestos hoard, blockboard, expanded plastics and plywood and the British Standard that provides a co-ordinated range of sizes for them (BS 4606) is entirely new.

It is possible for architects to deslgn substantially in co-ordinated metric dimensions now, even in the absence of some detail specifications. Meanwhile, the programme for full metrication by 1973 is well under way and already two-thirds of building and civil engineering projects are heing carried out to matric scale. In the public sector almost all new work will be in metrie dimensions by the end of this year. But many builders aod craftsmen in ancillary trades are asking when can we expect to be working with all metric materials?

The answer lies ultimately with the suppliers themseves—but it is essential to understand the progress whicb is being made in the preparation of detailed specifications by BSI. The revision part of the metrication programme, which started in 1969, included nearly 500 projects of which well over half should be completed by the end of this year. Most of the remainder are of low priority as far as substantial changes of size are concerned.

Already there are metric standards for the commonest building components and it is encouraging to record that apart from the notahle exception of hrick sizes there has so far heen no diversion from the application of the basic building sizes. The metric standard for timber sizes, rigid flat sheet materials, steel reinforcement bars and bricks—all the staple diet of contractors—are available now. The standards for bricks (clay, calcium silicate and concrete) have been revised to rounded metric dimensions at the raquest of the hrick industry although co-ordinated sizes are not ruled out of the specifications. It does seem a pity that the most basic of building skills should not benefit from dimensional co-ordination's main advantage—rednction of on-site trimming. Window heights (sill to top of window) are the main prohlem here, and in the puhlic sector window heights have been edjusted to take account of the non co-ordinated brick size. Elsewhere bricklayers will bave to rely, as always, on their own skill in filling areas with minimum waste.

Window standards

Recent work on co-ordinated dimensions which will ease the tasks of several trades is concerned with baths, sinks, PVC drain pipes, clay drain and sewer pipes, roof and wall tiles, roof slates and roof coverings of lead, copper and aluminium. Thermal insulation materials have heen metric for some time. The metric standard for door sets is to be published sbortly—so are those on aluminium and steel windows. A timber window standard should appear later in the year. The standard on co-ordinated dimensions for kitchen fitments is in its final stages and is related to international agreements with which BSI is intimately connected.

BUILDING XII

Need for closer human contact

By H. A. N. BROCKMAN, Architecture Correspondent

There is much tronbla in the building industry just now. Although influenced by the present alarmingly disturbed state of society in general, where long suspected and unsuspected abuses are being uncovered and "establishment" in all senses of the term is being questioned, the industry has domestic problems which its *supporters*, critics *and* detractors are by no means at pains to hide.

A classic example of the breakdown in industrial relations was recently highlighted by a *union official*, quoted as saying that during the now notorious troubles at the Barbican, men bad abused their trade union officials, there were difficulties in both design and construction and *the contractor*, moreover, found himself "in a nightmare situation." The company concerned, he added, had great difficulty in planning a job which led to bonus payments *fluctuating* between "1s. 6d. to 19s. 6d. an bour." He then spoke of sites in London where bonuses of £60 to £80 per week were being paid above tha £20 basic wage, and of a recent *advertisement for carpenters* at £70 a week.

Frank opinions

All this was said at a conference organised by the Junior Liaison Organisation, representing architects, builders and engineers, which considers that "the apparent conflict in the interests of our industry and the society it serves needs to be under constant review." But other equally frank opinions were voiced during this stage of "review." A spokesman for the Department of the Environment pointed out the industry's achievements in the past 25 years, "vast, largely unsung, only remarked upon on the occasion of failure, and usually undertaken without assistance or subsidy." Mr. Peter Trench, deputy chairman of Y. J. Lovell (Holdings) Ltd., the doughty champion of the builder, felt that conscience alone should persuade clients not to point the finger of scorn, especially those wbo thought they could get a cheap deal by setting bungry builders at each other's throats.

The architects' cudgels were wielded by Sir Hubert Bennett, lately Chief Architect at the GLC wbo is now director of Star (Holdings) Ltd. If we lacked a aocial conscience, he said, then we might as well give up, but he felt that the *social* conscience was *itself* being frustrated by restrictive legislation. There were other ways in which we could rebuild the environment but we accepted the straitjacket that *existing legislation placed* upon us. "I'd like to see," be said, "new towns being built without the existing town planning legislation or without the current financial regulations."

Social conscience

Well there you are, history, as always, tending to repeat itself. In 1942, when Relth became the overlord of planning at the Ministry of Works, it was he who invited planning authorities to forget the law as it stood and to produce their plans as they would ideally *wish them* to be carried out. It was the London County Council which—without a rather sanctimonious reservation that, althougb produced by its own Chief Architect J. H. Forshaw, *with* Sir Patrick Abercrombie, the Council completely dissociated ltself from tha philosophy the plan contained—produced the County of London Plan, 1943. The extraordinarily buman and *visually* promising proposals of that very fine document, produced during the most distressing period of the war, under a tremendous strain which led its creators to illness and even death, *is* now unrecognisable, but if ever a social conscience dominated a planning conception it did so in that work.

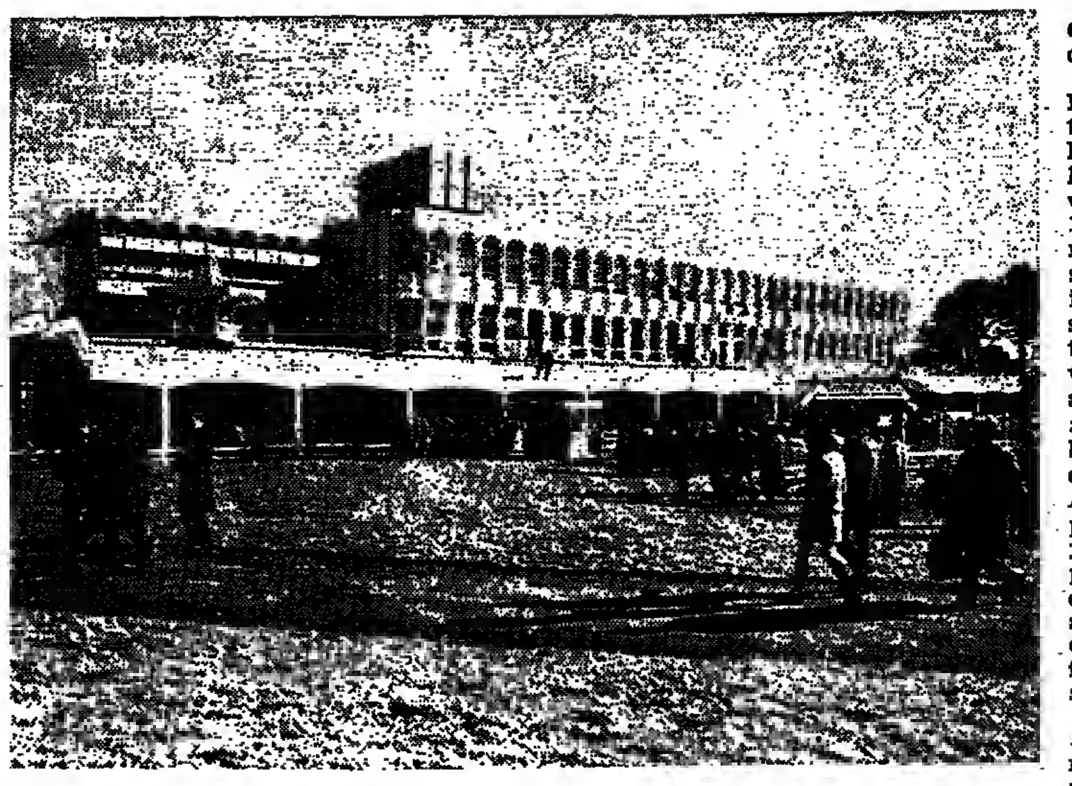
It is so often that Mr. Peter Trench brings us back to earth wben social and aesthetic conscience tends to ignore practical considerations. Mr. Trench felt there was "very little conscience ln the building industry to-day and there is too mucb poor workmanship and design." Nevertheless it was an unjustified criticism when aet against the Government's insistence upon fixed-price tenders wben prices were not being controlled elsewhere. He foresaw a lack of conscience continuing, unless someone could "motivata over a million people in the industry to adopt a completely new way of operating."

While prominent members of the industry can speak publicly as frankly as can the members of this valuable liaison organisation there is bope that at least people are beginning to appreciate wbere *things* are going wrong. It is true enough to say that there is no virtue in correcting one fault. abuse, or piece of ignorance, in isolation from the remainder of this com*plicated* and fragmented bnt totally essential industry. In some ways it is the very fact of its essential character wherein lies its weakness, for the most apparent faults in something which is essential *to existence* can easily be tolerated wbere there is no other source to turn to for the product.

Design stage

One of the most fundamental needs of the client is "value for money." The test of getting this is surely an ultimate criterion of good design, organisation, workmanship and good will. This is particularly relevant at a time wben new inventions, procedures and synthetic materials are constantly being revised and replaced. Tha *eroding influence* of "fragmentation" ln the industry bas been well underlined by the engineer Jan Bobrowski, whose articulate plea for greater integration at the design stage, between the *appropriate professions and pro*duction firms, for the greater insistence on the production of relatively small manageable and efficiently jointed components, can ensure the maintenance of a human scale in the inevitable march of industrialisation. The brick, after all, is as old as building ltself.

The need for far closer personal contacts between all members of the industry bas never been greater.



The grandstand at Leopardstown Racecourse. The use of pre-cast H-frames as the main vertical structure produces an impressive and enforced elevation. Architects: Howard V. Cobb and Partners.

Mixed signs for the professions

By ALEX GORDON, President, Royal Institute of British Architects

One of the unique features of the building industry is the *range of consultancy services* involved in its operation. Rightly these services come under close scrutiny from clients, and I mean clients in the widest sense from those who are on the one band responsibla for financing a building, to those, on the other, who bave to live or work in it or with it. The concerns of the former are in the last resort for a structure completed within specified cost and time limits which meets operational and investment expectations. The concerns of the latter group are *directed increasingly towards* external and internal quality. These two concerns need not be mutually exclusive—both parties are increasingly recognising the others interests and the professions bave often transmitted this dialogue. If, as seems likely, the concern for environmental quality is to become more marked in an era where growth for growth's sake and the politics for expediency are viewed with more *scepticism*, the mediation of the professions between thase vested interests will become even more crucial.

Building cycle

Construction demands massive resources and investment—national and private. What kinds of building process can best attempt to satisfy such disparata demands to meet often irreconcilable needs. The *most* immediate answer is to utilise fully the professions' contribution to all stages of the building cycle. However, one sbould be clear on just how their special skills can con*tribute most effectively*. It seems apparent that apart from the professions' contribution as lnterpreter there is a need for the structure of consultant and building firms to mirror the scale and complexity of work available to them; the need for complete flexibility and adaptability to respond to client needs (in the wider sense I bave described); the need for developing individual professional skills; the need for improved team working among the professions involved and acceptance at the highest level of adequate remuneration for the total design service on the principle that time spant at the investigation and design stages will result in a better end product at a lower cost.

It is interesting to note that the industry is in the main dealing with a mass of jobs valued at under £250,000. In 1966 this value group accounted for 97.8 per cent. of the total. In 1970 this value group still accounted for 97.8 per cent. of the total. The fact that since 1966 there has been no noticeable decrease in the number of *small* architectural practices (one-five architectural staff) and no significant increase in the number of larger practices (11 or more architectural staff) may well indicate that the size of architectural practices (and by the way the size of building firms) bas reflected the number and size of jobs available and has shown the lnfrastructure of the profession and the industry is conditioned by client demands which are in turn conditioned by *prevailing* economic circumstances.

The work of the RIBA's Intelligence Unit has indicated that an expected move towards larger architectural practices *has not materialised*. There was some lncrease in size up to 1964, aince then sizes have remained static. Nor does it seem that group practice has increased greatly. This is something of an over-simplification because in a rather typical way the architectural profession at least has managed to evolve alternatives which bring the *benefits* of group practice without the attendant disadvantages. Arrangements include gronp practice working for single jobs; firms sbaring common partners and associations which can be mobilised for particular specialist needs. Yet another example of the adaptability and flexibility inherent in the consultancy system.

That tha structure of the consultant professions should respond swiftly to macro and micro forces is hardly sufficient. They must also be capable of welding their contributions, design, structure, cost, internal environment etc., together in the building operation. The working procedures necessary to achieve this are only now developing and all is *not right* within the team itself. The service engineer (responsible for increasingly complex heating, electrical and ventilating systems) is now involved in up to 50 per cent. of tha design. Apart from the urgent need to attract the better recruits through chartered engineer status into building services engineering it is vitally important that better services *advice at the strategic* design stage and the requirement for greater detail on drawings must ba reflected by increased fees for these activities. *If this* improvement in services engineering can be achieved the concept of a total design service can be realised.

Scale fees

Fees are always a vexed issue. We have been, and are, criticised for insistence on scale fees. Much of the objection is doctrinaire and pays little attention to the consequences of a free for all. The prime virtue of such a scala is that clients are only faced with one variable (that is, service) and not two (fees and service). It is encouraging to note that the Government agreed revised Conditions of Engagement and fee scale with the RIBA earlier this year (discussion is still in progress on the Association of Consulting Engineers scale).

The encouraging factors are the lmplicit acceptance by the Government of the value of the design service. The new conditions provide explicity for time charges on stage B work (feasibility, investigation of alternatives) to ensure that a project is fully examined before it starts. This points a way out of the current enthusiasm for "lowest initial cost" buildings. The inadequacies of the "lowest initial cost" approach for permanent structures are all too clear. The alternatives—broadly higher initial cost for a longer and more adaptable life or the disposable building concept—need to be investigated thoroughly by all those involved in the industry.

One of the most hopeful signs of recent years in interprofessional co-operation among the building professions was the founding of the Presidents' Committee for the Urban Environment earlier this year. The professions co-operate in the building process so why should not they co-operate at an official level? It is certain that the younger members of the professions have little time for protecting real or imaginary boundaries betwaen us. This *official dialogue* must extend to all areas of professional concern—education, the environment and practice.

Two extremes

Wa often forget that building is not an end in itself, only means to an end. There are two extremes of building process. First, the flamboyant master-architect concerned primarily with building as monument or a piece of sculpture. Secondly, the package deal approach of to-day. Both approaches are concerned more with the end than with the means. At least the first approach has given us a remarkable architectural heritage—the full consequences of the package deal have yet to be established. Between these two extremes lies an enormous territory—public and private housing, *hospitals, schools, etc.*, in which the architectural and other building professions have become involved. Nowhere in the world can claim such a proportion of professional skill devoted to the built environment. In the last resort it is the total design service of independent consultants in all areas of tha building operation which will ensure that building is treated as a means to an end and will achieve the interests of the community as client.

The professions are going to bave a challenging time ahead. External pressures on their independence will continue and may even be increased on entry *into* Europe. Tha signs are, however, hopeful. The prospect of interrelated education, the continued flexibility of our practice structures, our improved co-operation in a total design service and the call for single responsibility based on individual expertise and continuing competence should ensure that the contribntion from the professions to the industry will be in greater demand and will achieve even better results.

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Europe—a hard look at investment strategy

BY JOHN TRAFFORD

[W]HILE THE Government [ba]ttles to get its Common [M]arket legislation through the [Co]mmons this winter, a [fa]vourite topic of discussion [in] Boardrooms around the [cou]ntry is certain to be future [inv]estment strategy. Uncontro[ver]sial predictions about the [Co]mmon Market are hard to [co]me by these days, but few [wo]uld disputa that more com[pa]nies will now be taking a [ha]rd look at the investment [pr]ospects offered by the other [cou]ntries of the enlarged [Co]mmunity.

Undertaking

The Government has under[tak]en to abolish all controls [on] direct investment in other [EE]C countries by the end of [197]4. The present system, which [in] outline requires exported [inv]estment funds to be repaid [or] repatriated profits within [thr]ee years, has undoubtedly [had] a restraining effect, par[tic]ularly among the smaller [fir]ms which are neither as well [fin]anced nor often as well briefed [on] the niceties of obtaining [fore]ign funds for foreign [inv]estment.

[F]urthermore, the dismantling [of] tariff barriers between the [U.K.] and the existing Six will [allo]w companies to view more [dis]passionately the alternatives [of s]etting up a new factory bere [or e]lsewhere in the Community. [O]nce a Board has decided in [prin]ciple to have a good look [at i]nvestment on the Continent [the] next problem is to lay [han]ds on all the relevant infor[mat]ion.

This is a great deal more easily said than done. The *vade mecum* of wnuld-be investors—and would-be expatriates who want to know about income tax and other personal topics such as death duties —is an excellent handbook published by the Confederation of British Industry under the title "Taxation in Western Europe." Unfortunately the most recent edition was published in February, 1970, and relates very largely to the 1968-69 tax year.

What with the introduction of Value Added Tax throughout the Community (Italy is the only one yet to fall into lina) a fiscal whirlwind has been sweeping through many European Treasuries.

In Britain there Is no other single source of information and on the Continent, predictably perhaps, the CBI booklet bas a wide circulation among civil servants and indnstrialists who find that they lack a comprebensive bome-grown subatitute.

In recent years the booklet has covered the 17 most important West European countries. The next edition, wbich should be available in the spring, will include some of the tax baven countries, notably Liechtenstein. The information will ba up to date at least as far as December, 1970, and some of it sbould bring the story right up to tha end of 1971.

Even if a fully updated survey of West European taxation were available, understanding it and using it to calculata the relative attractiveness for new investment of the various European countries would be a Herculean task. Before embarking on a really detailed feasibility study, it Is obviously a great help to know wbether the incentives to investment offered by the countries you favour are aa good, better or decidedly worse than those available elsewhere in the enlarged EEC.

Of course, Investment incentives are only one strand of the web of interacting factors which together influence the decision-making process. A Board will want to know about the availability and suitability of labour, the cost of manual labour and white collar workers (including welfare payments), energy costs, availability of raw materials, communications with the market to ba served and pollution laws. This list could stretch on, depending on the nature of the company's business.

Any ooe of tbese factors can be decisive in the final choice of the location for the new investment. If, for example, the plant ia labour intensiva, the fact that welfare commitments add a further 92 per cent. to an employer's wage bill in Italy but only 22 per cent. in the U.K. is highly relevant.

Energy policy

In processes such as aluminium smelting or chlorine production, whicb consume immense amounts of electricity, a government's energy policy is crucial. Production costs of chlorine, a key chemical intermediate used to make PVC plastics, dry cleaning solvents and a host of other products, can vary by £6 or £7 a ton just in western Europa. With selling prices in the £30 a ton raoge, this is a massive consideration.

Comparison of the incentives to investment meted out by the various European governments is thus only one factor in deciding wbere to put a plant. What is more, since governments sbow an almost scbizophrenic wish to cbange the arrangements covering fixed capital investment at the drop of a hat, a pan-European comparative exercise bas a very limited life span.

To take the U.K. as an example, Corporation Tax was cut to 42.5 per cent. in Mr. Barber's October Budget last year wbicb also scrapped investment grants and replaced them by a less genarous system of speedy depreciation allowances. Then last March, the Chaneellor announced that a Value Added Tax would be introdnced in 1973 and, in his July Mini-Budget, cut Corporation Tax once again to 40 per cent. and strengthened the depreciation allowances in the non-developmeot areas.

Not surprisingly some of Britain's largest companies are becoming chary of believing too literally what their computers tell them about government aid to investment: it can demonstrably be turned off like a tap.

A contributory factor to Sbell Chemicals' decision to slow down its £225m. expansion programme in the North West was the switcb from investment grants, available to anyone making an investment, to depreciation allowances, whicb are only valuable to those companies paying sufficient U.K. Corporation Tax.

Not all tax regimes ebange as rapidly as Britain's and in many cases the other factors which weigh on the investment choice are finally balanced between two or more couotries. Under sucb circumstances it certainly is a help to know just how the government of the country encourages and taxes a company which sets up a new plant.

AFTER-TAX DISCOUNTED CASH FLOW (DCF) RATE OF RETURN ON IDENTICAL CAPITAL PLANT WITH 25 PER CENT. OF FUNDS BORROWED AT 9 PER CENT.

	Low Profit Case		High Profit Case	
	Dev Area	Non-Dev Area	Dev Area	Non-Dev Area
Belgium	6.5	3.8	16.7	13.1
France	7.8	3.2	18.5	12.3
West Germany	8.2	3.1	15.3	11.4
Italy	6.0	3.8	18.0	13.3
U.K. (a)	9.4	6.1	20.4	16.2
(b)	5.6	4.2	17.9	15.7

(a) pre-October, 1970. (b) pre-July, 1971.

Fortunately a very comprebensive survey has been done at the instigation of the National Economic Development Office, comparing the expected return on an identical investment made in Belgium, France, West Germany, Italy, Ireland and the U.K.

Its main findings have in part at least been overtaken by events since it was first compiled in Marcb last year (and revised in February, 1971). Even if the figures are no longer wholly accurate, they do at laast point out some interesting differencea between the various European countries and draw attention to the great importance of choosing the right way of financing tha project.

To make the comparison, a plant costing £5m. was taken and a pattern of casb outflows and inflows assumed over its useful life, taken as 10 years. Two casb flow pattarns were evolved, one assuming that the plant was not a very profitable one, the other assuming that it earned profits at a good rate. The authors then went on to apply these cash flow patterns to the tax laws ruling in eacb of the six countrles both in development areas and in non-development areas.

To round off the survey with a really comprehensive treatment, the authors also examined the effect of borrowing 25 and 50 per cent. of the project's cost and also took the case where no external funds are used. Since interest rates vary, different rates were taken in some countries as well as a "standard" 9 per cent., allowing a precise theoretical comparison.

The table shows the theoretical profitability of some of these test cases expressed as the after-tax discounted cash flow rate of return. Easily the most surprising fact to emerge is that the U.K. is the front-runner only in the non-development areas; Ireland, France and Italy all score on the U.K. when it comes to investment in development areas. Ireland, however ,is not a comparable case since the size of market would dictate an abnormally high proportion of exports and of repatriation of profits.

Smaller

The disparity between incentives in development and non-development areas, which has recently attracted a lot of Press comment because it has dwindled sharply since the Chancellor's budget last year, is much smaller in the U.K. than in any of the other countries. Furthermore, Mr. Barber in his measures last July reduced the differential even further by increasing the first-year depreciation allowance on capital plant in non-development areas from 60 to 80 per cent.

If the fiscal rules really do bave an impact on the tempo of investment, the present British showing is not especially encouraging for the development areas where unemployment levels of 7 per cent. are commonplace and which may in the near future have to compete with the development areas of other Common Market countries to woo the rich investor.

Alternatives

A wide range of alternative policies are open to the Governmant if it wishes to make investment in tha high unemployment areas more attractive, including such devices as allowing more than 100 per cent. of the capital value of a plant by way of depreciation allowances. However, if the Chancellor sticks to the present system of baving all his investment incentive eggs in the one basket of depreciation allowances, reductions (or increases for that matter) in corporation tax will have absolutely no effect on the after-tax DCF return on new capital plant in development areas.

What the operator gains in greater net cash flow when the plant Is operative Is precisely cancelled by the greatar initial capital cost he has to bear througb the reduced value of the 100 per cent. free depreciation. The cash flows may be larger, but the plant has eost him more to build. Reducing corporation tax would certainly increase liquidity and hence funds available for investment, but It would do nothing to make actual investment in development areas more profitable.

Labour News

[I]ndustrial relations: [c]all for new Bill

[B]Y ALEX HENDRY, LABOUR REPORTER

[THE] LABOUR PARTY has asked [for a] series of joint talks with [the] union leaders to draft a [new] Industrial Relations Bill. [It] will replace the existing [Indu]strial Relations Act, intro[duce]d by the present Govern[ment], when the Labour Party is [retur]ned to power.

[The] party is committed to [repea]l the Act in the first Parlia[ment]ary session following its [retur]n to power, by a unanimous [resol]ution passed at this year's [conf]erence.

[Th]e need to find something to [put] in its place is raised because [the] Act repeals earlier trade [union] legislation which protected union rights.

[Th]e tripartite talks—between [the] TUC, the Labour Party's [nati]onal executive and Parlia[ment]ary group—are part of a [joint] policy programme involv[ing d]iscussions on public owner[ship,] multi-national companies [and o]n economic policy.

[Th]e TUC team will include [gener]al council members Jack [Jones], Hugh Scanlon, Lord [Coope]r, Sir Sidnay Greena, and [the g]eneral secretary, Mr. Vic [Feath]er.

[It] is not yet certain if Mrs. [Barba]ra Castle will be involved [in th]e discussions. Before they [start] the Parliamentary party [will] be bolding its Shadow [Cabin]et alections and she could [be in] line for a cbange of job.

The talks will have a double significance. They will belp restore the amity between Parliamentary and trade union leaders that dissolved during the arguments over "In Place of Strife" and prices and Incomes policy.

They will also help the TUC campaign against tha existing Act. Mr. Feather has supported the unions' policy of non-cooperation on the grounds that the new Act will be replaced wben Labour Is returned to power.

If an outline of Labour's replacement can be prodnced fairly quickly it could be used as a propaganda weapon eacb time the new Act Is seen to be baving, from the trade unions' viewpoint, a barmful effect on their conduct of industrial relations.

[Sign]ificance

[A] measure of the continuing [resent]ment against her because [of th]e legislative proposals con[taine]d in "In Place of Strife" [was] given at this year's party [conf]erence when the national [execu]tive decided by an over[whel]ming majority that she [shoul]d not wind up the indus[trial] relations debate.

Textile workers lobby PM on mill closures

A DELEGATION from the Blackburn and District Textila Trades Federation, which has 6,000 members, will take a petition to the Prime Minister at 10 Downing Street on Tuesday urging him to act to prevent further mill closures in Lancashire. Signatures for the petition, including those of 700 workpeople affected by closures announced during the past few days bave been collected during the week-end.

Some 640 workpeople from three mills in the William Birtwhistla Allied Mills group—Florence Mill, Blackburn; Greenbank Mill, Preston; Abbey Mill, Abbey Village—and 60 at the Gordon Mill of Robinson, Seed and Co., at Blackburn, will lose their jobs before the end of the year.

[L]ocal government unions [i]n bid for pay deal

[BY] ALEX HENDRY, LABOUR REPORTER

[LOCA]L GOVERNMENT union[ist]s are to have one more [try to] bridge the £74m. a year [g]ap between them and the [emplo]yers in the current waga [negoti]ations.

[If t]he new talks fail to pro[duce] an improvement in the [offer] then delegate conferences [will b]e held to test the militancy [of the] members.

[Thre]e unions — the transport [and g]eneral, public employees, [and g]eneral and municipal—[negoti]ate for the 907,000 local [gover]nment manual workers.

[The]y have rejected the [emplo]yers' offer of a £41m. pay [rise] in reply to their claim [which w]ould cost £115m. a year [and a]dd 2p to rates in England [and W]ales, 4p in Scotland.

[The] executive of the National [Union] of Public Employees met [in Lo]ndon yesterday, and sup[ported] its negotiators' decision [to tur]n down the employers' [de]al.

[The]y also threw out the offer [of ... p]er cent. for men, 8.3 per [cent. f]or women, made to 220,000 [hospit]al ancillary workers. A [furthe]r meeting on this claim [will t]ake place at the end of [the we]ek.

[Last] year, local government [manua]l workers staged a "dirty [jobs"] strike, and eventually got [an awa]rd of £2.50 a week from tha Scamp inquiry into the dispute.

This year the reaction to the 6.8 per cent. offer has not been wide enough to judge if the manual workers are again prepared to challenge the Government's pay strategy.

The employers have agreed to backdate any settlement to November 8, and this takes some of the beat out of the situation. Bnt a spokesman for NUPE said yesterday: "Whatever the final offer from tha employers, it will be pnt to delegate conferences to decide. It will have to stand up to the acid test of the membership's reaction."

More labour news, Page 11

Mid-Wales campaign to woo industry

Financial Times Reporter

MID-WALES Industrial Development Association this week launches a major publicity campaign to attract new industry to the area.

A booklet setting out details of where advance factories are available is being sent to more than 5,000 Midland firms and to trade and commerce organisations.

Mirage repurchase could hit Jaguar

BY ROBERT MAUTHNER

PARIS, Nov. 14.

THE PROSPECT that France will buy back from Israel the 50 Mirage V aircraft on which General de Gaulle placed a delivery embargo after the six-day Arab-Israeli war in June, 1967, could affect French purchases of the Anglo-French Jaguar tactical support aircraft.

This became clear at tha week-end after tha revelation that secret negotiations between France and Israel on the repurcbase of the Mirages have been going on bere at senior official leval since September.

No resale

Israel Is apparently Insisting that if it agrees to sell back the 50 Mirages, for which it paId in advance and wbicb ara being stocked on an airfield at Chateaudun in Central France, these must not be resold by France to any other foreign country, least of all an Arsb State. This condition is likely to be fulfilled, since all the indications are that a decislon in principle bas already been taken that they will go to the Frencb Air Force.

The affair bas provoked speculation bere tbat a recent decision by M. Michel Debre, the French Defence Minister, to postpone the conclusion of a contract for Jsguar aircraft for the Frencb Air Force was directly related to the Franco-Israel negotiations on the future of tha 50 Mirages.

The official explanation glven at the time was that the contract was postponed to enable Rolls-Royce, whicb is building the Jaguar engines, to sort out its financial difficulties and to decide on a price for the engine.

It is bighly probable that this was one of the subjects discussed by M. Maurice Schumann, the French Foreign Minister, during his visit to London last week, bnt no indicatlon bas been given by either side so far about the outcome of the talks on this subject.

Meanwbile, the Israelis are reported to be bighly incensed that news about their talks with the Frencb has been allowed to leak out and this migbt possibly jeopardise a final agreement on tha repurchase of the Mirages.

What bas become clear so far Is that the Israelis bave dropped their previous objections to a deal with the French whlch fell short of delivery of the impounded aircraft, thongb no agreement bas yet been reached on financial terms.

The payment made for the 50 aircraft was Frs. 500m., but the Israelis are now aaid to be demanding some Frs. 650m. to Frs. 700m. from the French, to compensate for tha devaluation of the franc since the sale was made and the loss of interest payments on the Israeli capital immobilised in France.

Middle East Airlines plans U.K. expansion

MORE expansion in Britain is being planned by Middle East Airlines. Mr. Alan Kershaw, sales manager for the U.K. and Ireland, predicted yesterday that this year will see a record for the 25-year-old company in passengers carried between Britain and the Lebanon.

In the first ten months of the year passenger figures were 15 per cent. up.

The company *is* considering opening up a new U.K. route with fligbts from Beirut to Manchester. These may take advantage of the growing Garman tourist trade by calling at Frankfurt.

First public offer in U.K. North Sea gas search

BY PETER RIDDELL

THE FIRST public offer for sale in a U.K. North Sea oil and gas exploration company is to be mada this week. Ionian Bank Is offaring 1.5m. Ordinary 10p shares (a quarter of the Issued capital) in Oil Exploration (Holdings) at 40p each, to raise £600,000.

Mr. Christopher Brett, a director of both the company and Ionian Bank, described the offer as "the first cbance the small investor has had to invest in North Sea exploration direct without also being involved in other activities."

Oil Exploration, formed in 1964 by Ionian Bank aod various cllents and friends, has a 4.26 per cent. stake in a consortium led by Phillips Petrolaum whicb was set up to apply for licences and explore for oil and natural gas in the U.K. sector of the North Sea. Other members of the consortium include Petrofina, AGIP, Imperial Continental Gas Association, Tarmac and Courtanlds.

Since 1969 the consortium, in conjunction with the Arpet group, has been supplying natural gas to the Gas Council from an area 18 miles or so north-east of Bacton on the Norfolk coast, now known as the Hewett Field.

Apart from its share of the rising income expected from Hewett, Oil Exploration's prospects depend largely on the possibility of proving another major oil or gas find. In September, 1970, the consortium discovered oil abont 25 miles west of Ekofisk (a find by another consortium led by Phillips estimated to be one of the major offsbore fields in the world) on a structure known as "Josephine," and although this bas not yet been properly tested further drillings will take place next year.

The consortium also obtained a "premium" block (16/27), north of the B.P. Forties field, for £638,000 in the recent tender offer. Applications are also outstanding for 22 other blocks in the north-east part of the U.K. sector.

Stock Exchange approval is unusual for a company, the main part of wbose appeal is porely speculative. But a reassuring factor seems to have been the point that there is already a substantial, and rising, income, providing guidance as to the worth of the shares.

Association with as experienced and successful a North Sea operator as Phillips stands the company in good stead, according to leading specialists on tbe subject, wbo expect the offer to be a considerable success.

Foseco Minsep, througb its subsidiary, Minerals Separation, is the largest sharebolder in Oil Exploration with a 13.6 per cent. stake. Other major shareboldera includa Kleinwort Benson, National Carbonising, and the McAlpine contracting family. Some of these shareholders have reduced their stakes as part of the offer so that the net proceeds aecruing are estimated at £370,000.

Redevelopment of Liverpool city centre

In an attempt to improva the image of tha centre of Liverpool, the City Council will be asked on Wednesday to spend more than £50,000 over the next threa years providing trees, shrubs and flowers and paving ovar roads whicb are to become traffic-free precincts.

It is estimated that the redevelopment work will by then be completed. The schema includes Improved traffic sign posting, better street lighting and campaigns against litter and ugly hoardings.

National petition against second channel for ITV

FINANCIAL TIMES REPORTER

A NATIONAL PETITION opposing allocation of a second television channel to the present ITV companies is to be launched.

The decisioo was mada at a week-end public meeting in London attended by Dr. Tom Margerison, former managing director of London Weekend Television; Mr. Tony Smith, former editor of "24 Hours"; Mr. Stuart Hood, former BBC TV programme controller; Mr. John Golding, Labour MP for Newcastle-under-Lyme; and Mr. Richard Neville.

The meeting elected an action committee, the TV4 Group, and a demonstration is to be staged outside the Independent Television Authority's haadquartera in Brompton Road on Tuesday.

Speakers at the meeting included members of the Bow Group, the Labour Party, the National Union of Teachers, the National Union of Journalists, the Association of Broadcasting Staff, the Associatioo of Cinema, Television and Allied Technicians, the National Viewers' and Listeners' Association, the 76 Group, and the Free Communications Group. It was chaired by Mr. Alf George, an official of the Post Office engineering union.

Bid to combat colour TV problem

LONDON WEEKEND and Granada Television, both major users of EMI 2001 colour TV cameras, bave placed orders totalling £40,000 for EMI type 2113 auto-centring units to overcome the problem of registration drift, a characteristic of multi-tube cameras.

The units automatically monitor and adjust the picture centring of four-tube colour TV cameras.

Said to be the first of thelr kind, EMI expects them to eliminate one of the operating engineer's major problems and provide a marked improvement in operating efficiency in colour TV broadcasting.

COMPANY NEWS + COMMENT

Paterson Zochonis slightly ahead

THE PATTERN emerging in the current year of Paterson Zochonis (general merchants in West Africa) is mixed, although profits to date are slightly higher, says the chairman, Mr. J. B. Zochonis.

Turnover is a little higher and may be expected to continue so. Margins, however, both in Ghana and Nigeria, are under pressure due to over-stocking, which has led to greater competition.

On the other hand, renewed production of soap in Nigeria and the increased production of thread in Ghana and of perfumery and medicines in both is bringing in overall higher profits; though in Ghana recent heavy surcharges on perfumery raw materials have led to a higher price level than the market has so far been able to absorb, Mr. Zochonis states.

As stated on October 13, group profit for the year ended May 31, 1971, was £2.15m. (£1.75m.) and the dividend 17 per cent. (equivalent 13.9 per cent.). Also proposed is a one-for-ten scrip issue, and a dividend of at least 16 per cent. is forecast on the higher capital.

Further legislation is contemplated by the Nigerian Government which will mean offering to Nigerian nationals a minority holding in certain group subsidiaries.

It appears likely, the chairman states, that one of the major subsidiaries will be reconstituted as a public company under the laws of Nigeria and a public issue of shares made.

Meeting, Manchester, December 6 at noon. Mr. P. C. Karras has intimated his wish to retire from the Board.

● comment

The 1970-71 feature for Paterson was the way margins moved in the second half. Sales growth over the two halves remained fairly constant (at 16 and 18 per cent.) but profits growth accelerated from 12 per cent June to November to 35 per cent., before tax. This, plus the lowest tax charge in three years, raised annual earnings more than a third to 56.5p a share. As for the current year, the tone of the report boils down to a fair amount of optimism, which tends to make a nonsense of the share price given a six-year profits performance adding up to compound growth of 20 per cent. a year. A p/e of 6.7 for the "A" at 380p plainly suffers from a thin (close company) market.

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Improvement at MacLehose

Results at the end of 1971 for printers and bookbinders MacLehose Group "will show a significant improvement," states chairman, Mr. N. D. MacLehose. For all of 1970, there was a net loss after tax of £10,459.

An interim dividend of 2 per cent. is declared. For the previous year there was an interim of 3 per cent. and no final.

Smith Brothers (Kilmarnock) is *having another good year. Losses* made by Robert MacLehose have been substantially reduced but the book printing section of the market remains sluggish and the return to reasonable profitability has not yet been achieved—and Mr. MacLehose sees no likelihood of this occurring during the first quarter of 1972.

Sidroy sees return to profits

Chairman of Sidroy, Mr. D. M. Saunders, tells members that plans for the current year indicate a return to overall profitability after all charges.

However, in view of the need to reduce the debit balance and to provide for longer term growth, it is unlikely that the Board will be able to recommend an Ordinary dividend. The retention of funds is essential to continued progress," he stresses.

The chairman reports that turnover during the first quarter from the Knitwear and *Lingerie* manufacturing units shows a considerable improvement and forward orders assure *maximum* utilisation of capacity for several months ahead.

A substantial increase in sales of the Spinning Division is also reported although the nature of hand knitting yarn business requires a very high investment in stocks and the success in increasing output "must not overshadow" the problem of slender *margins* in a *highly* competitive market.

Although reducing total turnover, the measures taken to confine the product range and to consolidate activities within a much more limited geographic area have shown a distinct improvement in productivity and have strengthened efforts to contain inflationary pressures. "Emphasis is now on expansion of output."

As reported on October 9, the trading loss for the year ended June 30, 1971 was reduced to £82,998 compared with £282,591 in 1969/70. There is, again, no dividend — the last Ordinary dividend was 2½ per cent. for 1968/69.

Meeting, Leicester, December 9, at 2.30 p.m.

Dalmore Whyte to improve in first half

First half results of whisky distillers Dalmore, Whyte and Mackay should show an improvement over the £68,000 of 1970-71, forecasts the chairman Mr. H. W. Whyte.

And, subject to unforeseen circumstances, he considers the full year's figure will be satisfactory.

More favourable barley prices will help the distillery, but a further wage increase has to be faced. Again, reduced interest rates will help in the financing of stock and duty.

Demand for Whyte and Mackay's brands continues very satisfactory, and the stock is well balanced to ensure continuity of quality and supply. Stock is held on favourable terms and puts the company in a strong position to meet competition.

As reported on October 29 group profit for the year ended July 31, 1971 came to £179,411 (£196,306), with the second half producing £110,918 (£81,237). The dividend is again 11 per cent.

Meeting Glasgow, Dec. 6 at noon.

First half rise for Marling

WITH THE benefit of the consolidation policy showing, profits of Marling Industries for the half-year to September 30, 1971, have risen from £123,000 to £145,000.

Sales now include a higher proportion of the newer products, and at £1.48m. have not quite been maintained. Tighter control on costs has yielded a "significant increase" in profit.

After tax £56,000 (£50,000), first half net profit came to £89,000 (£73,000), and the interim dividend is again 5 per cent. The year 1970-71 produced sales of £3.07m., a net profit of £144,000 (after tax £98,000), and a dividend total of 15 per cent.

Chairman Mr. L. Courts says "we have clearly identified and are concentrating on the areas where *substantial growth* is possible." Glass fibre range has marked potential and "Webglass" has received an encouraging reception. Although sales of "Martred" floor covering were slow in the first half "we are now working to capacity"; moreover, in the second half, "Chamois," a needlebonded felt wall tile, will be introduced.

Disposable slings provide a full and profitable order book, and the trend towards mechanical handling of shipping cargo throughout the *world* favours the future development of this section.

The narrow fabrics companies *had* a good first year and will make important contributions to profits for the year. To give them the necessary space for expansion new factories in Leek and Derby have been purchased, and the vacated smaller premises sold.

As a logical extension into the growing field of fibre bonding Marling has agreed terms for the purchase of 89.5 per cent. of the capital of Eurochem, with its subsidiary Euro-Kay. Total consideration is £112,272, to be satisfied by the issue of £50,000 loan notes and the balance in shares; completion will take place shortly.

Eurochem is a well established supplier of fibre bonded acoustic insulation materials and related adhesives—products which are in increasing demand in the motor car industry and wherever sound insulation is important. The manufacture of bitumen and plastic based loose-laid tiles for the carpet trade is another feature of the acquisition. Currently Eurochem sales are approaching £500,000 per annum.

Expansion for Fairfax Jersey

MR. J. P. BARKER, chairman of Fairfax Jersey says the group enters the year to June 30, 1972, in a position of greater flexibility and financial strength than ever before, and the Board has budgeted for increases in volume and range of production.

The plan is to develop in all departments and to continue to improve the sophistication and versatility of the general range, taking advantage of modern technology in fabric production and extending also into transfer printing. Principal growth area is *expected to be in fabric for menswear*, with the raschel knitting and warp knitting adding significantly to the basic double jersey range.

The group has expanded its yarn production department to supply the required increase in volume and diversity.

Returns for the first quarter are comparable to those of the corresponding period, but reflect the sluggish state of trade at this time of the year. Unless a substantial general downturn in the double jersey industry occurs, the Board expects that net profits for the current year will exceed last year's results.

As reported on October 22, group profit, before tax, for the year ended June 30, 1971, was up from £423,253 to £513,233, and *against* a *forecast* of 45 per cent., the total dividend is 47½ per cent., (single 20 per cent. previously).

The year was one of deliberate trading-up and development of the versatility of products coupled with the consolidation of production, marketing and financial resources.

Meeting, Manchester, December 8, at noon.

● comment

Fairfax Jersey has slipped 17p to 85p *since* the *preliminary* statement three weeks ago. Disappointment with the 1970-71 results—just topping the forecast—is part of the story and margins are down 4½ points to 28.5 per cent. which is still a good deal fatter than the level managed by other double jersey producers. But doubts have also been raised about the sector as a whole with the feeling that the boom is over and demand now levelling out. Fairfax itself does little to resolve the question as the budgeted 25 per cent. increase in turnover is matched by an apparently less ebullient profits forecast. In any event the market is not getting very excited over Fairfax's prospects with a historic p/e of 3.4—four points below Nova (Jersey) Knit's prospective rating.

Chairman's statement Page 9

FT Share Information Service

The following securities have been added to the Share Information Service appearing in the *Financial Times*

Bibby and Baron (Holdings) (Section: Paper, Printing and Advertising). Slater Walker Investment Trust (Section: Investment Trusts). Do. 8½ per cent. Partly Convertible Unsecured Loan stock, 1981 (section: Investment trusts). Westralian securites (Section: Overseas Australia).

Johnson Gibbons

GROUP pre-tax profit of Johnson Gibbons (merchants in ironmongery, hardware, building materials, etc.) have fallen from £80,120 to £34,750, in the 12 *months* to June 30, 1971, compared with the previous year.

Chairman Mr. J. E. L. Gibbons points out that profit for this first 12 months of the current period of 18 months is considerably less than anticipated when reporting in May—the first half figure was £31,900 (£51,100) and it was then expected that the balance for the 12 months would be no less than for the 1970-71 year.

He explains that at Stevenage there were the costs of moving stocks, training of new staff, redundancy payments and many other non-recurring incidental expenses all "significantly" greater than expected.

This, with a fall in sales for May and June has brought about a "very disappointing" result for *the London subsidiary*.

The northern group continues to make good progress with satisfactory results. Nevertheless, due to the seasonal nature of the business, the remaining six months of the extended period is less busy and the Board is "reluctant" to forecast that profit will equal that earned in the six months to December 31, 1970.

In the circumstances there is no interim dividend. An interim of 2½ per cent. has been paid—total for the previous year was 6¼ per cent.

Group sales for the 12 months were £6,720,250 (£6,485,753). After estimated tax £13,400 (£38,000), net profit was £21,350 (£42,120).

ISSUE NEWS AND COMMENT

Bernard Matthews offer at 100p

Application lists open on Thursday, November 18 for the offer for sale by Kleinwort, Benson, of 1.6m. Ordinary 25p shares in Bernard Matthews at 100p per share.

The company is believed to be the largest integrated turkey producer in Europe. Production now exceeds 2m. birds per annum, a substantial proportion of which are sold under its own registered trade mark "Norfolk Manor."

Every aspect of the integrated production of turkeys is undertaken by the company, from the breeding of pedigree birds through to processing and freezing in oven ready form. About 90 per cent. of the company's sales have been in the form of frozen oven ready birds. The balance is made up through fresh turkeys, both whole and in cut portions, and also in breeding stock and hatching eggs for commercial growing stock.

Turnover of the group has risen from £1.66m. for eight months of 1964 to £3.5m. in 1970, while profits over the same period have jumped from £65,000 to £324,000.

For the current year ending January 2, 1972, pre-tax profits are forecast at £700,000 from a turnover of £4m. No dividend is forecast for this period, but on the basis of these profits in a full year dividends totalling 25 per cent. would be recommended. At the offer price the dividend yield would be 6.25 per cent., covered 1.68 times, and the p/e 9.52.

Brokers are James Capel and Co., and dealings are expected to start on Tuesday, November 23.

● comment

Since the advent of the mini-bird, which has made producers less *dependent* on the *Christmas* period, and with red meat prices spiralling while turkey prices have fallen, the turkey market has shown outstanding growth. Since 1962 the U.K. consumption of turkeys has risen from 5½m. to 13m. While Bernard Matthews has reaped the benefit of this higher volume, and with improved feeding methods—50 per cent. of productions costs—of the better trading margins, spasmodic outbreaks of fowl pest have hindered the growth at the profits level. This overhanging factor obviously puts a question-mark against the quality of earnings, although it is fair to say that the company is now using live vaccines, which are expected to reduce health risks. However, the rating appears to be adequately discounting the *volatile state of the business, and* on 1972 prospects alone—lower grain prices improving the competitive edge of turkeys—there seems something to go for.

Prospectus Pages 10 & 11

SOUTH AFRICAN BONDS

Arrangements have been made for the issue by the Republic of South Africa of DM100m. 7½ per cent. Deutsche Mark Bonds 1971 at 98 per cent. The underwriting group was headed by Deutsche Bank, Banque de Paris et des Pays-Bays and Banca Commerciale Italiana.

Fidelity Radio

Lists open on Thursday November 18 for an offer for sale by Hambros Bank of 1.48m. Ordinary 10p shares in Fidelity Radio at 70p per share. Dealings are expected to start on Monday, November 22.

The company manufactures portable radios, record players, audio units, stereograms and tape recorders mainly in the popular price range. All models are designed by the company and assembled from components purchased largely from specialist manufacturers. It is a company policy to give preference to the use of British components.

Customers comprise mail order houses, multiple stores and wholesalers. The *turnover split for* 1970-71 from these sources was 25 per cent. 20 per cent. and 50 per cent. respectively, the balance going to exports.

Fidelity's record over the past ten years has been somewhat erratic, with turnover advancing from £1.55m. to £2.67m. in 1969-70 before jumping to £4.07m. in 1970-71, while profits have moved from £69,000 to £140,000 in 1969-70 and up to £347,000 in 1971-72. The results were affected between 1964-67 by a move to one *factory from five smaller premises* and in 1970 due to the company's policy to hold down prices at a time of rising costs and general inflationary trends.

For the current year ending March 31, 1972, profits before directors' emoluments (£55,000 *on the new basis)* and *tax* are forecast at £512,000. On these profits the directors intend to pay a final dividend of 25 per cent. Had the company been public for a full year and on the basis of these profits, dividends totalling 40 per cent. would be recommended. At the offer price the dividend yield would be 5.7 per cent., covered 1.57 times, and the p/e 11.

Brokers are Rowe and Pitman.

● comment

It is difficult to come to any conclusions about Fidelity Radio's profits up to the period ending March, 1970, since these have been affected by factory moves and an odd pricing policy. But in 1970-71 and, judging by the forecast, in the current year FR has cashed in on what must be described as buoyant markets. Indeed everything seems to have gone Fidelity's way what with the abolition of HP restrictions, reductions in purchase tax and easier money, all contributing to encourage consumer spending. This could mean that 1971-72 is something of a bumper year and that Fidelity has timed its flotation to perfection. Still, the asking price is fairly modest so much must be discounted including the growing threat of Japanese competition.

Prospectus Page 8

Oil Exploration flotation

Application lists open next Thursday for an offer for sale by the Ionian Bank of 1.5m. Ordinary 10p shares in *Oil Exploration* (Holdings) at 40p each.

The company's principal object is to apply for concessions or licences to explore for and develop oil and natural gas deposits throughout the world, in particular in the North Sea. In 1964 it became a member of a Consortium including Phillips Petroleum, Petrofina and AGIP, with Phillips as operator to explore the U.K. sector of the North Sea. OE, whose share is 4.20 per cent., provides a proportion of expenses while *Phillips* manages the developments.

Since then a number of production licences have been granted. In 1969 the Consortium, in conjunction with the Arpet Group, began supplying natural gas to the Gas Council from an *area* 38 miles north-east of Bacton on the Norfolk coast, now known as the Hewett Field. OE has a 2.31 per cent. interest in this field.

In September, 1970, the Consortium made an oil discovery which could not properly be tested but will be examined further next year. In August, 1971, a "premium block" was obtained and applications are outstanding for 22 other blocks.

Losses were made up to 1970, the *first full year of gas sales*, when a profit of £61,000 was reported. The directors estimate that the net profit for 1971 will be not less than £160,000 and no corporation tax will be payable because of previous losses.

On this basis the Board intends to pay a 15 per cent. dividend and at the offer *price the p/e ratio is* 15 (25 fully taxed) and the dividend yield 3¾ per cent., covered 1.8 times.

Sales of gas from Hewett are expected to increase substantially between 1972 and 1974, then reach a plateau followed by a gradual decline from 1980. Between 1974 and 1979 the average annual net profits from Hewett will be about £400,000, against not less than £220,000 in 1971. This should enable appreciably higher rates of dividend to be paid in the future, *despite* the fact that exploration expenditure will have to be incurred elsewhere.

Brokers are Joseph Sebag and Co. and dealings are expected to start on Tuesday week, November 23.

● comment

Fixing the price of the Oil Exploration offer must have presented some problems as a major part of the company's appeal is purely speculative. Admittedly the expected increase in profits from Hewett should lower the fully taxed p/e well below the 20 mark, for what this is worth, but any advance could partly be offset by a rise in exploration expenditure. Apart from Hewett, prospects depend to a great extent on the possibility of proving another major oil or gas find and here OE stands to benefit from being associated with one of the most successful and experienced North Sea operators, Phillips. However, development costs can be very large and there is inevitably a time lag before *there* is any cash return. But given the possible rewards and the scarcity of other North Sea stocks there should be sufficient speculators around to get OE off to a good start with the likelihood of a lively, if bumpy ride, to follow.

Prospectus Pages 32 & 33

Kelvin Watson placing

A placing of 350,000 Ordinary 10p shares in R. Kelvin Watson has been arranged by brokers David Q. Henriques. The placing —on the Northern Stock Exchange—is at 88p a share.

Kelvin Watson is an optician and contact lens maker, supplying hospitals and ophthalmologists at home and overseas. The company makes contact lenses by a "unique" method — pressing rather than grinding—and supplies cleaning and wetting solution under *its* own name. *It also offers* opticians a nationwide lens fitting service, via a team of specialists.

Kelvin Watson has agreed in principle to contribute to research undertaken by the University of Aston (in Birmingham) into the development of soft contact lenses. The *sponsors*, the *NRDC*, have already applied for provisional patents; Kelvin Watson is negotiating the exclusive licence to make and supply material for the soft lenses.

The group has a very steady profits record. The pattern over the past three years has been £80,501 pre-tax rising to £126,906 in the year ended March 1971; the figures exclude total losses by a Canadian venture of £29,000 over the period. The sales trend has been growth from £353,739 to £597,020.

For 1971-72 the forecast is profits of at least £140,000 before tax, with no further losses arising in Canada (the subsidiary was sold last month). A dividend of 2½p a share will be paid for 1971-72 followed by 5p in a full year. The flotation yield is 5.68 per cent.—and dividend cover 1.8 times—and p/e 10.95.

After the placing the Kelvin Watson Board will control some 56 per cent. of the group equity. Dealings are expected to start on Monday, November 22.

● comment

Kelvin Watson makes the point that it is coming to the market on its record rather than as a *speculation on soft contact lenses*. The former is based upon a steady spectacles business plus fair growth in hard contact lenses, where KW has a 35 per cent. share in a market currently growing at some 15 per cent. a year (its figures). As a sideline to lens manufacture, KW has a team of 30 specialists offering a countrywide service to the less sophisticated (spectacles only) optician; the team is being added to at the rate of some five specialists a year. As for soft lenses, the manufacturing *rights* are about to be clinched for a U.K. version; and KW might be within 12 months of some sort of early marketing. That could make KW a firm bid prospect and, with the Board holding well over half the equity, the price would have to be a good one. A successful Northern debut for the shares looks certain.

Particulars Page 6

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Turnbull Scott	int.	†5p(c)	Dec. 14	3.75p		11.25p

* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) Does not indicate higher total.

Robb Caledon hopeful

PRESENT indications are that the Robb Caledon Shipbuilders group should return to "a basis of profitability" in the current year, says the chairman Sir John Brown.

Latest review of contracts in progress indicates that, taking into account provisions already made, budgeted margins should in most cases be achieved.

Sir John's forecast is subject to this being the case and provided future work is obtained to occupy labour forces on a continuing basis.

Performance of the last six months gives hope that better things are in store. Notwithstanding the disappointing results of 1970-71, Sir John is confident that "we can look forward to recouping in the current year and in 1972-73 some part of the losses suffered in the past two years."

With a view to containing the effects of cost inflation the group has for some years been unwilling to commit itself to deliveries too far ahead, and in fact latest delivery from the present order book is due by next November.

While, therefore, orders are short at present, the group has been devoting a lot more effort to sales and marketing in the past year and Sir John believes there are good prospects of finding work in the near future of the type which is suited for Leith and Dundee.

On Friday it was announced that the company will build a *survey ship* and *two salvage* vessels for the Royal Navy.

As reported on October 21, group loss for the year ended March 31, 1971 was £504,073 (£617,007). Turnover came to £6.95m. (£5.89m.) and the deficit on shipbuilding and repair work £587,968 (£777,839).

Work in progress comprises direct costs and the appropriate proportion of overheads, less any losses incurred to date and less the directors' estimate of future losses in completing certain of the *long-term contracts* entered into by March 31, 1971.

This estimate of future losses has been made by reference to costs incurred since March 31, 1971 and, so far, as practicable, to prospective cost inflation up to the estimated dates of completion of the contracts concerned by November 1972.

The auditors are satisfied with the accounts subject to the appropriateness of the directors' estimate of future losses.

Referring generally to the British shipbuilding industry, Sir John says it would be impossible for it, practically alone among the major shipbuilding industries in the world, to exist without Government support and this fact must, he suggests, be recognised.

"What seems to me important is that the necessary Government support should be, in a form which is sensible both from the point of view of efficient operation and in the national interest to encourage technical progress in the maritime industries," he declares.

Meeting, Dundee, Dec. 7 at 12.30 p.m.

Chairman's statement Page 9

Alida Packaging offer at 84p

Lists open next Thursday for an offer for sale by Singer and Friedlander of 1.05m. Ordinary 10p shares in Alida Packaging Company at 84p each.

The company manufactures polythene film and bags, printing them to customers' specifications. Alida's products are used in packaging foodstuffs, textiles, stationery and hardware, while other important users are in the engineering, pharmaceutical, chemical, furniture and motor industries. About 44 per cent. of group sales go to merchants who in many cases operate as specialised suppliers of packaging materials in their districts.

Turnover has risen from £62,000 in 1965-66 to £1.4m. in 1970-71 while pre-tax profits have increased from £425 to £201,000 over the same period. The group has undertaken a substantial investment programme over the last couple of years and though this affected profit margins in the short-term, increasing benefits are now being obtained.

The directors thus expect that

UNIT TRUSTS

NEW COURT OVERSEAS

New Court Overseas Fund will pay a distribution of 0.36p per unit in respect of the half year to September 30, 1971, on November 30, 1971.

Managers view current market *conditions* with a degree of caution and have increased the level of liquidity in recent weeks. At September 30 funds on deposit were 8.4 per cent. of the portfolio (4.9 per cent. at end June) and since close of the quarter managers have further increased liquidity to 19.7 per cent.

The most important change in the portfolio was the realisation of holdings in the commercial banks at attractive price levels, largely as a result of which the total investment in financial and property sectors has been reduced from 41 per cent. at June 30 to 25.7 per cent. Important additions have been made to holdings in the consumer durable sector, particularly in areas relating to the motor industry.

S & P HIGH-YIELD

The latest half-yearly report from Save and Prosper's High Yield Units shows that the 1971 net income received by holders was 7.7 per cent. greater than in the previous year. Latest gross distribution for the six months ended September 30 is 103p per 100 units (63p net).

At September 30 the trust was valued at almost £34m. in nearly 50,000 unitholdings. Mr. David

Pending dividends timetable

For the convenience of readers, the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

	Date	Announcement last year
...Indusls.	Dec. 11	Int. 5%
... Brit. Foods	Dec. 11	Int. 15%
...ngineering	Dec. 9	Final 11%
...wspapers	Nov. 18	Int. 7½%
...Television	Dec. 18	Int. 12½%
...and Wiborg	Nov. 19	Int. 4%
...and N.Z. Banking	Nov. 30	Final 5%
...Rubber	Dec. 8	Final 10½%
...Indusls.	Nov. 20	Int. 6%
...arrington	Dec. 11	Final 12½%
...rbrook ...wspapers	Nov. 16	Final 5%
...ord ...(S. and W.)	Dec. 9	Final 15% forecast
...Oxygen	Dec. 15	Final due
...house (J.)	Nov. 29	Final 8½%
...Shipley	Nov. 18	Int. 6%
...o Group	Dec. 11	Final 5½%
...ham	Oct. 31	Int. 4%
...l and Dist. Props.	Dec. 19	Int. 3½%
...e and Chemical	Dec. 1	Int. due
...Patons	Nov. 18	Int. 4½%
...(George) 600 Grp.	Dec. 2	Int. 5%
...(Wm.)	Nov. 26	Int. 3½%
...Mail	Dec. 5	Int. 9%
...ers	Dec. 18	Int. 5½%
...ster (D.)	Dec. 18	Int. 6%
...ean Ferries	Nov. 29	Final 33⅓% forecast
...r (J. H.)	Nov. 24	Final 9%
...Cleveland	Nov. 21	Int. 16%
...	Dec. 17	Int. 5%
...vel. Strs	Nov. 27	Int. 20% §
...ll Whitley	Dec. 18	Final 11%
...ss (A.)	Dec. 11	Final 18%
...s Mahon	Nov. 24	Int. 4½%
...Matthew)	Dec. 17	Int. 7½%
... Trust	Dec. 16	Final 12% forecast
...(Furns.)	Nov. 24	Int. 4.4% §
...aves Group	Dec. 2	Int. 5%
...rth ...eramics	Nov. 24	Int. 2½%
...mpressed Air	Dec. 17	Final due ‡
...tores	Dec. 17	Int. 2½%
...Matthey	Nov. 24	Int. 3½%
...	Dec. 4	Final due
...lmann	Dec. 15	Int. 5% §

	Date	Announcement last year
LCP Hldgs.	Dec. 16	Int. 5%
*Land Secs.	Nov. 16	Int. 3%
Laporte Inds.	Nov. 26	Int. due
Lee (Arthur)	Dec. 11	Final 12%
Lewis and Pear	Dec. 11	Int. 7½%
*Lister and Co.	Nov. 10	Final 8%
*Lloyd (F. H.)	Nov. 18	Int. 5½%
London Asiatic Rbr.	Dec. 9	Int. 7%
Lyons (J.)	Nov. 27	Int. 4 7-12ths%
*Marchwiel Hldgs.	Nov. 25	Int. 2½%
*Mercantile Credit	Dec. 1	Final 16½%
*Metal Box	Nov. 19	Int. 5½%
*Met. Est. and Prop.	Nov. 23	Final 14% forecast
Mitchell Cotts	Dec. 4	Final 8½%
*Natl. and Coml. Bkg.	Nov. 18	Final due
Peachey Prop.	Dec. 4	Final 8%
Philips' Lamp	Dec. 5	Int. 6%
Powell Duffryn	Nov. 27	Int. 3%
Ranks Rovis	Dec. 17	Final 8.57%
*Ransome Hoffmann	Dec. 6	Final due
Rediffusion	Nov. 28	Int. 5%
Renold	Nov. 20	Int. 4½%
*Ropner Hldgs.	Nov. 17	Int. 2½%
Rugby Cement	Dec. 3	Int. 6½% §
*Scapa Group	Dec. 5	Int. 8%
Sedgwick Collins	Dec. 2	2nd Int. 15%
Selection Tst.	Nov. 27	Int. 25%
*Serck	Dec. 7	Final 2%
*Smith (W. H.)	Nov. 17	Int. 3½%
*Standard and Chartered Bkg.	Dec. 7	Int. due
Sunley (B.) Inv. Tst.	Dec. 17	Int. due
*Swan Hunter	Nov. 16	Int. due
Tesco Stores	Dec. 3	Int. 14½%
*Trafalgar House	Nov. 17	Int. 7% §
Triumph Inv. Tst.	Dec. 3	Int. 12% §
Tunnel Cement	Nov. 27	Int. 5%
Turner and Newall	Nov. 27	Final due
Unigate	Dec. 17	Int. 5%
Vaux and Assoc. Brews.	Dec. 19	Int. 4%
Vokes Group	Dec. 16	Int. 11%
Ward and Goldstone	Nov. 27	Int. 6%
Watney Mann	Dec. 6	Final due
West (Allen)	Nov. 26	Int. 5%
Westland Aircraft	Dec. 10	Div. 12%
Whitbread	Dec. 18	Int. 3½%

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Local authority investments

...AUTHORITY loan rates ...educed in the short-term ...ge field last week and also ...in the temporary sector. ...were widely on offer and ...nditions were seen in the ...t market. This was re... ...in the rates and loans at ...lays' notice fell from 4¾-5 ...t. on the previous Friday, ...by Thursday, and finished ...ek at 4⅝-4¾ per cent. ...Financial Times Govern... ...ecurities index rose to a ...high of 80.35 on Friday, compared with 79.05 at the end of the previous week. The index has been up for the last eight successive business days.

One-year local authority bonds were placed par. with a coupon of 5¾ per cent. In addition, two-year 6 per cent. bonds were placed at £99[1/2] per cent., and three-year 6¾ per cent. bonds and four-year 6¾ per cent. bonds at £99¾ per cent. Five-year 7¼ per cent. bonds were placed at par.

Public Works Loan Board rates were unchanged.

* Rate (%) November 12, 1971	
...notice (deposit receipt)	4¼—4½
...notice (deposit receipt)	4⅜—4⅝
...notice after one month (deposit receipt)	4½—4¾
...notice after three months (deposit receipt)	4¾—4[15/16]
...notice after six months (deposit receipt)	4⅞—5¼
...e at one month's mature notice after 11 months	5⅛—5¼
...e at one month's lender's notice after 11 months ...minal term 2-5 years)	5¼—5[7/16]
...' mortgage	6[1/16]—6¼
...' mortgage	6¾—6[15/16]
...' mortgage	7¼—7½
...' mortgage	7¼—7½
...ars' mortgage	7⅝—7¾
...ars' mortgage	7¾—8

...tes are for sums not less than £20,000 and are subject to ...lations and fluctuations. † Nominal. ‡ The shorter nominal ...may carry a higher rate than the longer.

Public Works Loan Board rate

(Effective time November 6)

Years	Quota loans Repaid By instalment	Quota loans Repaid At maturity	Non-quota loans Repaid By instalment	Non-quota loans Repaid At maturity
...	5¾	6¾	6¾	7¼
... up to 10	6¾	7⅞	7¼	8¼
..., up to 15	7	8¼	7¾	8½
..., up to 25	7¾	8¾	8⅝	8¾
...	8¼	8¾	8¾	9¼

COMPANY NEWS

Glenlivet sales increase to continue

MR. I. TENNANT, chairman of Glenlivet and Glen Grant Distilleries expresses confidence that whisky sales, particularly those of highest quality blends and single malts will continue to increase.

At the same time he sounds a note of caution on the profit front, where he expects that the necessity to increase stocks to meet growing demand for mature bottled single malt whisky will prevent the group from realising a profit on its increased stock for some years.

In the year ended June 30, 1971 turnover was up from £2.55m. to £6.42m., including Hill Thomson and Longmorn-Glenlivet Distilleries. As reported on October 6, profit before tax was £804,047 (£532,456) and the dividend 16 per cent. on increased capital (15 per cent.).

As part of the programme to sell an ever-increasing proportion of malt whisky in the bottle, agency arrangements have been negotiated in the U.S. and Japan for sales of Glenlivet. In Italy, Glen Grant continues to capture an ever-increasing share of the market and shows signs of breaking through into other parts of Europe (sales up 29.8 per cent. last year).

Sales projections indicate that the five distilleries and the Newbridge bottling plant are going to come under severe pressure. During the current year the directors will be considering further expansion and modernisation plans.

It is proposed to change the company's name to Glenlivet Distillers as from January 5. It is also proposed to change the accounting date to December 31 and the current period will run for 18 months to December 31, 1972.

Interim dividends will be paid in April and December, 1972.

Meeting, Edinburgh, December 8, at noon.

Chairman's statement Page 28

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims—Amalgamated Power Engineering, BET Omnibus, Cater Ryder, Charterhouse Inv. Trust, J. Coral, KMPH, B. and S. Massey, Rexmore, Sogomana.

Finals—Allied London Properties, *International Securities, Moss Engineering, Nottingham Patent Brick, Thornbers, United Industrial, Wright's Biscuits.

FUTURE DATES

Interims—	
Bradford (Robert)	Nov. 18
British Lion	Nov. 18
Grendon Securities	Nov. 18
Hareros Inv. Trust	Nov. 17
Humphries Holdings	Nov. 17
Kennedy (Alan)	Nov. 18
King and Shaxson	Nov. 18
Lewston Developments	Nov. 16
MK Electric	Nov. 17
Magnolia Manufacturing	Nov. 15
Minster Assets	Nov. 18
Sealed Motor	Nov. 18
Shellabear Price	Nov. 22
Spear and Jackson	Nov. 23
Finals—	
Assam-Dooars	Nov. 17
Brockhouse (J.)	Nov. 29
Gleeson (M. J.)	Nov. 25
Sagga Rubber	Nov. 17
Serck	Dec. 7

RANK POST PRODUCTIONS

Lewis Rank Post Productions, wholly-owned subsidiary of Rank Film Laboratories, is changing its name to Rank Post Productions. This follows the resignation of Mr. M. M. Lewis as managing director.

Mr. Raymond Dutfield, managing director of Rank Film Laboratories, said the recent purchase of the minority equity of the Lewis Rank Company was an indication of Board confidence in the future of the film industry. It also marked a further stage in the expansion of specialist facilities offered film producers.

Turnbull Scott to hold profit

BASED ON provisional unaudited first-half figures, the profit of Turnbull Scott Shipping for the year to January 31, 1972, should about equal the £217,000 of last year, the directors forecast.

They are raising the interim dividend from 3.75p to 5p per £1 share in order more nearly to equalise payments. It does not indicate a total in excess of the previous 11.25p.

Current freight rates are "very poor" and vessels trading on the open market are not at present making satisfactory profits, the directors report.

The M.V. Waynegate was delivered on March 23, 1971, and is now trading. Holland Park, sister ship of the Redgate and Saltersgate, was purchased on April 7. She has been re-named Trongate.

BIDS AND DEALS

Hume's views on possible bids

In a detailed letter to shareholders of Hume Holdings, the investment, property, banking and industrial group, chairman Mr. James Scrimgeour makes it quite clear that the directors would resist any offer for the company which did not take "full account" of its record and growth potential.

This follows Friday's announcement of tentative approaches to the directors that could possibly lead to an offer being made.

For many years Hume has been closely associated with London stockbrokers, J. and A. Scrimgeour which, with its clients, probably owns enough shares to block any unwelcome bid.

Mr. Scrimgeour tells members that the directors are currently negotiating for further joint enterprises with other parties which, "as has been the case with other such enterprises," should be of considerable commercial advantage to the company. These negotiations, he adds, could be "inhibited or even completely frustrated" by approaches for take-over and the uncertainty that this could generate.

The chairman's letter concludes with the hope that members will consider best interests rest in support of the existing management and that in the event of an offer being made the terms would have to give full weight to the various factors "as well as compensating members for the cost of disturbance of their investment dispositions."

ASTBURY & MADELEY

Astbury and Madeley (Holdings) has agreed to purchase Geo. Hillier and Co., engineers' and plumbers merchants and steel and non-ferrous metal stockholders, for £95,000 cash.

Net assets of Hillier at June 30, 1971, were £60,545 and for the 12 months ended June 30, 1971, audited pre-tax profits were £13,929. If arrangements now in force for directors' emoluments had been in operation for that year profits would have been £31,141.

UNITECH DIVIDEND FORECAST

While not producing at this stage a profits forecast for the year to May 21, 1972, the Board of Unitech intends to recommend dividends totalling 10 per cent. for the current year, it is stated in documents carrying the formal offer for Pantiya Electronics.

Recommending the offer, Mr. J. E. V. Tyzack, Pantiya's chairman, says his Board believes in the long-term prospects of the company but it does not consider in the absence of the offer that Pantiya's share price would necessarily hold its present level in the short term.

The first closing date of the offer is December 3 and the cash alternative will not be extended beyond that date.

IBSTOCK JOHNSEN INCREASES STAKE IN SHAWELL

Ibstock Johnsen, quality facing brick manufacturers, has acquired the remaining 50 per cent. of the equity of Shawell Precast Products not already owned. This means a total investment of nearly £300,000, since the investment was first made in 1966.

The purchase takes effect from July 1, 1971, and should contribute a reasonable profit in the current year. A rapid growth is planned over the next few years.

Shawell, it is pointed out, is a top quality manufacturer of precast concrete, and will "benefit considerably" from the national marketing facilities of Ibstock Brick and Tile.

GEO. CLARKE DEALS

In a letter to shareholders outlining details of the acquisition by George Clarke (Motors) of Nelson Garages (Swansea), Mr. J. K. Tullis and Mr. D. H. Nash, joint chairmen of Clarke, disclose that Bowland Motors has also been purchased for a cash sum of £100.

Incorporated in April this year, Bowland holds the sole concession for Peugeot cars for the whole of Wales, excluding Monmouthshire. The company, which operates from recently modernised premises on a one-acre site in Swansea, was acquired from Mr. Marshall David, chairman of Nelson.

An extra-ordinary meeting to approve the purchase of Nelson and to sanction a necessary increase in authorised capital will be held on November 29.

CRITTALL-HOPE

Details of the proposed acquisition by Butterley Engineering Industries of Crittall-Hope, a subsidiary of Slater Walker Securities, have now been sent to Butterley holders. They will be asked to approve the deal at an extraordinary meeting to be held on December 6, when sanction for an increase in authorised capital from £1.8m. to £2.3m. will also be sought.

STEPHENSON DEVELOPMENTS

Acceptances of the offer on behalf of the Austin-Hall Group have now been received in respect of 92.6 per cent. (5,898,690 in number) of the Ordinary shares and all the Deferred Ordinary in Stephenson Developments (Holdings). The offer for the Ordinary will remain open until further notice.

MATTHEWS HLDGS.

Matthews Holdings has acquired the outstanding minority holding in Lindsell Dewell and Co., refrigeration and ventilation engineers.

The LD Ordinary have been acquired for £43,810, to be satisfied by the issue of 73,017 Ordinary of Matthews. All the Preference shares of £1 of LD have been acquired for £15,000 cash. Net tangible assets of LD at October 4, 1970, the date of the last audited accounts, were £63,995 and profit before tax for the year ended at that date was £18,322.

IDEAL BLDG. PREF.

Trafalgar House Investments is offering to acquire the outstanding 63,825 6½ per cent. Preference shares of £1 of Ideal Building Corporation not already owned. Trafalgar is the ultimate beneficial owner of all the issued Ordinary and 87.2 per cent. of the issued Preference of Ideal.

Maximum consideration under the offer will be £56,166 nominal of 9½ per cent. Unsecured Loan stock 2000/05 (without warrants) of Trafalgar, ranking for the full half-year's interest due March 25, 1972.

CRYSTALATE

Crystalate (Holdings) has now sent to members full details of the acquisitions of Reginald Corfield, A. P. Besson and Partners and VPT.

As part of the terms of the Corfield acquisition the company was granted a lease of its Redhill factory at £27,000 per annum, together with an option to buy the freehold for £230,000. This option has now been exercised and directors have sold freehold, on a sale and leaseback basis, for £290,000. The new lease is for 63 years at a rental of £26,350 per annum with rent reviews every seven years.

Crystalate has now centralised its injection moulding activities at Redhill and compression moulding at New Cross—this will reduce overheads and has released valuable property in the Tonbridge area for sale or alternative use.

When Corfield was bought the manufacturing losses of its plastics business were running at about £8,000 per month. By rationalising injection moulding at Redhill and by substantially increasing the volume of output, directors anticipate that this section will start to make a contribution to group profits in the second-half of this year, although full benefits of reorganisation will not begin to be felt until the next year.

For Besson and VPT on the basis of the first nine months' trading (to September 30, 1971), combined profits were running at an annual rate in excess of £130,000 before tax and after interest on borrowings.

EMRAY IN ZAMBIA

Through its Zambian subsidiary, Emray is to acquire 75 per cent. of the capital of Norwegian Paper (Zambia). The purchase price is dependent on Norwegian's profits over the next three years, but will be a maximum of £105,000. This will be satisfied in shares, issued at par, of which 1.58m—£79,000—will be issued on completion with the balance over three years.

It is expected that pre-tax profits of Norwegian attributable to Emray in a full year will be around £20,000. Through its subsidiaries, Norwegian is engaged in the stationery industry. The deal is dependent on approval by Emray members to a necessary increase in authorise capital.

MINING NOTEBOOK

Looking at Poseidon two years later

BY LODESTAR IN ADELAIDE

Two years ago a column from this side of the world was headed "Where binoculars are needed to see the price of Poseidon." The article opened with a description of the seething scene in a stock exchange gallery where people often camped out for the day. Now the same public gallery is like a morgue and a magnifying glass is more suitable for viewing the Poseidon price.

Such is the stuff that mining booms are made of, although it is not often in the rough history of the second largest industry in the world that such stars as Poseidon leave their fiery trail across the scene. These words are being written in the city where it all started, Adelaide. Where the men whose names achieved world fame almost overnight still toil away at the task of proving that Windarra nickel find in Western Australia can yet regain some semblance of its former glory.

No slow-down

They do so amid a mass of rumours mostly of the knocking variety. One recurrent story has no truth in it. This is that work at the property is being slowed down. It is not, and according to the directors, now under the chairmanship of Professor Eric Rudd, a much respected figure in the Australian mining industry, it is not intended to cut back underground development.

Neither Norman Shierlaw nor Basil Lewis is under any illusion about the headaches that lie ahead, especially in the present climate of the market for nickel. On the other hand, there are plenty of options open and it should always be borne in mind that the hook-up with the Union Oil-Hanna-Homestake consortium has greatly eased the financial burden on Poseidon of getting Windarra launched.

In fact, its liability may not now stretch much beyond $10m. (£4.7m.) presuming, of course, that the present plan is adhered to of transporting the ore to the concentration plant at the Lake View and Star mine, that mine incidentally, is still producing gold at a modest profit after crediting the Government subsidy and could well continue to do so at least until the end of 1972.

The Poseidon management remains firmly in charge of the technical side of the Windarra operation and it is confident of its ability to remain astride this particular horse. Moreover, it is doing so with the full approval of its new American partners who are in any case busy proving up their own nearby nickel deposit which is still hoped to rival that at Windarra itself in due course.

Although the ore will have to be transported some 280 miles to the Lake View concentrator with all the extra expense that this must necessarily involve, it is calculated that the economics of doing so are considerably more favourable than the capital cost of erecting a plant on site especially in view of the consequent water problem. Supply of this vital commodity is a built-in advantage of the Lake View operation.

Finance is now only a headache insofar as it must necessarily be tied up with the requisite sales contracts. These are naturally not easy to obtain in present world circumstances of nickel over-supply. The fact that production as at present envisaged will only be in the form of concentrates does not help. Conversion by smelting into matte form looks, in fact, like becoming a vital element in the whole operation.

Smelting plant

In this connection it should not be overlooked that Western Mining is committed to the erection of a smelter at Kalgoorlie. It should also not be forgotten that the giant American Metal Climax is still combing the world for supplies of matte for its Louisiana refinery in the U.S. So, with the Botswana copper-nickel operation still hanging fire, it would be surprising if Amax has altogether abandoned the idea of entering the West Australian nickel play by the erection of a smelter there.

The idea of two smelters may at first sight seem a little far-fetched, but it is not when the long-term view is taken. Think of Agnew and Mount Keith and the several small mines developing in the Widgiemooltha area. Think also of the fact that the Selection Trust group which has come up with the Agnew find has close links with Amax through its shareholding therein.

Taking all this together, it can be seen that there is still some air of ebullience left in the Poseidon camp. There is naturally regret that money was not raised while the share market was raging. But the law suit (now settled) which hung over the 1969 share placings was always an inhibiting factor. Messrs. Shierlaw and Lewis can at least still point with satisfaction at the company's modest equity capital.

On the financial side there is the comfortable feeling that the Union Oil partnership is committed to putting in the same amount of funds as Poseidon has already spent. This was obviously helpful in settling the debt to Anglo American Corporation although around $3m. of the $5m. to $6m. drawn was actually never spent. As Norman Shierlaw says, the management has been shot at more for what it has not done rather than for what it has done in the two years since the Windarra discovery was made

No rush

In view of what has subsequently occurred in the nickel market it may actually prove beneficial in the long run that there was no head-long rush into production. As it is, fruitful development of the whole West Australian nickel belt, obviously destined to become one of the world's major sources of metal which many authorities think has a great part to play in the industries of the future, may be on target for the next upswing in the commodity cycle. People may then once again be saying, "Good on yer, Norm."

Meanwhile, there is quiet satisfaction that the Burra copper mine is developing into what could be a real money-spinner. At present operating at about 250 tons of ore a day the planned capacity, probably achievable towards the end of next year, is 1,000 tons. This should provide a very useful cash flow part of which could be used for the group's still active prospecting activities. The management reports that there is no difficulty in disposing of the copper oxide product at a very useful margin of profit even at the present price of the metal. Eventual earnings, it is calculated, could exceed $3m. a year.

INSURANCE

Long-term liabilities

BY OUR INSURANCE CORRESPONDENT

IT HAS always been the view of lawyers in this country that there should be some time limit imposed on the right of the individual to obtain recompense for any wrong done to his person or property. Therefore, Acts of Parliament have from time to time imposed periods of limitation that vary according to the nature of the injury or damage sustained, whether or not that injury has fatal consequences, whether the victim is a child or under some legal disability, even, in by-gone days, whether or not the wrongdoer was a public corporation, and so on.

While it is possible to argue the pros and cons of any particular limitation period in relation to any particular kind of claim, and to argue that any one rule is arbitrary, the general principle of limitation cannot be gainsaid. It is desirable that rights and liabilities of individual citizens should be determined within a period reasonable to both parties. Every modern legal system has some limitation laws.

Personal injury

In the last 30 years or so the periods fixed by our own limitation laws have been often questioned and occasionally altered. Particularly frequently under attack have been those applicable to personal injury. Partly this is because there is a growing attitude that compensation for personal injury is more of a welfare than a strictly legal matter. Another reason is that liabilities are more and more insured and that in some quarters it is thought unjust that insurers with their huge financial resources should be able to shelter behind laws designed to regulate the position of individual citizens one with another.

A substantial change in the law was effected by the Limitation Act 1963 which was designed to protect the victim of injury or illness against having his claim time barred before he was aware of his real condition and to give him 12 months from that date to get his legal action going.

But it is one thing to devise a reforming statute to deal with insidious unknown physical conditions making themselves manifest only after a long period; it is another thing entirely to draft words apt to effect such reform but nothing more.

It is now becoming apparent that the draftsmen of the 1963 Act failed. Its provisions and effect are of uncertain scope and the Act is fast becoming a lawyer's paradise. Only last week it was called by the Master of Rolls a "most obscure statute." This was in the course of his judgment in the Court of Appeal in the case of *Knipe v British Railways Board*, an action for damages for personal injury that arose from an accident in March 1948.

Misinformed

All three judges agreed that the action was maintainable and that even at this late stage, 23½ years afterwards, Knipe was entitled to damages even though many years ago he was aware of his physical condition and the reason for his delay in making a claim arose solely because he was misinformed as to his legal rights by his trade union advisers. The British Railways Board has obtained leave to appeal to the House of Lords in the hope of getting further clarification of the law.

In taking this particular view the judges in the Court of Appeal were following the line that three other judges had taken in the Court of Appeal in May in the case of *Smith v Central Asbestos Company*, another dispute which is also on its way to the House of Lords on the application of the 1963 Act.

Unless the House of Lords decides otherwise, it seems that the statutory period under the 1963 Act does not begin to run against the injured person until he knows not only that he has been injured by the wrongdoer but also that he has a legal cause of action. It seems immaterial whether his ignorance of his legal rights is due to a mistake of law or a fact or to bad advice.

If this is indeed a correct statement of the law, then liability for personal injury has now become virtually interminable. Perhaps it is just as well that the Lord Chancellor has chosen this moment to ask the Law Reform Committee to inquire into the whole field of limitation as it affects personal and property rights and to consider what changes are now desirable.

Effect on premiums

What has all this to do with the day to day transaction of insurance? In selling liability cover, under motor policies, employers' liability policies and public liability policies, insurers protect policyholders against the legal liabilities they incur. Insurers charge premiums so as to establish funds for this purpose. They have always had to allocate reserves for unexpired risks from one year to the next and for outstanding claims, but increasingly they are having to put money aside in the long term against claims incurred but not yet notified.

If these reserves have to be augmented against the increased burdens that the open-ended law of limitation imposes on them via their policyholders, then premiums will have to rise in consequence. It may be social justice to give people like Mr. Knipe damages; if this is what the public—and not just reforming lawyers—want, then the public must fully understand that the ultimate price will have to be paid in the premiums that insurers charge for provision of legal liability cover.

London tea sales

At the tea sales held in London last week 54,599 packages sold realised an average price of 42.28p per kilo against 42.77p at the previous sale and 44.31p a year ago. Plain tea was quoted at 37p

	No. of kilos	Average per kilo
African Highland Prod.	42,696	40p
Assam Co.	18,498	43½p
Assam Cons.	15,865	46½p
Assam Dooars	28,211	39½p
Assam Frontier	188,930	42½p
Attaree Khat.	21,287	45½p
Bogawantalawa	23,116	45p
Ceylon Tea Plants.	150,872	41½p
Chulsa	40,469	37p
Cons. Estates	39,970	42½p
Cons. Tea and Lands	31,761	41½p
Dekhari	42,075	44p
Eastern Assam	35,289	41½p
Empire of India	67,124	41½p
Imperial	51,156	43p
Jhanzie	21,237	42p
Jokai	136,801	41½p
Jorehaut	11,254	44½p
Kanan Devan	25,253	42½p
Kenya	65,210	40½p
Lanka	14,739	48p
Lunuva	14,804	40p
Moran	20,147	44½p
Namdang	13,113	43p
Namunakula	10,158	59p
Nuwara Eliya	7,666	43p
Ouvah	15,490	49½p
Pabbojan	83,418	42p
Scot. Tea and Lands	41,084	45p
Spring Valley	13,374	38½p
Standard	25,712	46p
Upper Assam	45,358	43p

Stock at November 5 amounted to 70,759 metric tons compared with 73,007 metric tons a year ago. Converted at 48.958 kilos per package.

ROTHERHAM INVEST.

Documents in respect of Wm. Brandt's offers for shares not already owned in Rotherham Investment Trust have been sent out. The offers close on December 6.

THAMES INVEST.

The formal offer from United Kingdom Property for Thames Investment and Securities has now been sent out. First closing date is December 2.

Little change in Persian Gulf tanker rates

BY JAMES McDONALD, SHIPPING CORRESPONDENT

ALTHOUGH oil company relet tankers have still been available in some volume over the past week the rates from the Persian Gulf to the U.K. or Continent for single voyages remained at around Worldscale 80. "Owners could well derive some comfort from the fact that this surplus of tonnage has not so far led to lower levels," comments John I. Jacobs, one of London's leading tanker brokers.

The Persian Gulf single voyage market—trading to the Continent—appears to be steady at about Worldscale 80 for medium to large size ships, although two smaller tankers secured W.85 for relet cargoes to Japan last week.

According to Lambert Brothers (Shipping), rates closed last week at Worldscale 80 from Persian Gulf to U.K. or Continent—about five points higher over the week. "The considerably lower temperatures experienced over North Europe and Scandinavia this week have provided a mainly physchological boost to the tanker market."

From the Mediterranean to the U.K. or Continent, rates closed the week at Worldscale 100—about 20 points higher over the week—and from Nigerian to the U.K. or Continent, the rate at the end of the week, at a nominal Worldscale 90, was 10 points above the level of a week before.

Caribbeans to U.K.-Continent rates closed the week at Worldscale 65, slightly lower than a week before, but the rate from Caribbeans to USAC at the end of last week, at Worldscale 77.5, was about 10 points higher.

Lambert Brothers, in its weekly report, comments that, in the dirty tonnage sector, "interest for December loaders from the Persian Gulf continues to build up."

In the period charter market, conditions last week were much quieter, with only a moderate amount of business arranged.

RECENT ISSUES

EQUITIES

Issue Price	Amount paid up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	355	300	Anglo-Am.Ind.Cp.(R1)	300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ch...(Elec.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Continuous Stat'y 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cornish Greene...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Davies & Newman	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ddee.Perth&LnScot20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	EmpressSer.(Fty.)10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Food (Martin) (10p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Grand Met. Warrants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	HTV N/V	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Kean (M.P.) 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	McKay Sec. Cap Shares	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Park Farms 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sime Darby Warrants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tigon Group (10p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Vernons Fashion 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yule Catto (10p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount paid up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Adeption new 8¾% Conv. Uns. Ln. 80/85	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Allnatt London Props. 9½% Deb. Stk. 96-2001	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Birm. (City of) 8% Red. Stk. '79-81	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bristol Corp. 7% Red. Stk. [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Butterley 10½% Deb. Conv. 1976	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cardiff Corp. 7½% Red. Stk. [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Combined Eng. 9½% Part. Conv. [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Comley & Pltn 8½% 1st. Mort. Deb. '90-5	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Derby [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Drakes 10% Part. Con. Uns. 1976	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dundee, Perth & Lon. 8% Conv. Uns. 1978	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] 10% Red. Prf. 1976	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Essex Water 10% Deb. 1996-[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Folkes [illegible] Deb. Stk. [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	G.L.C. 7½% 1981	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lon. Bank 8% [illegible]	[illegible]	[illegible]

Issue Price £	Amount paid up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Land Sec. 5½% Conv. 1985	119½	−1½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lewis & Peat 8% Conv. Sub. Uns. '79-81	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lewis (J.) Prps. 9½% 1st Mort. Deb. '92-7	29¼	+½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	London Tst. 6% Conv. [illegible]	¼pm	+¼
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mid.-Sussex 8½% Red. Pref. 1973	98¾	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mitchell Constr. 9½% Deb. Stk. '89-95	106	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	25½	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Newcastle & Gates. [illegible]	28¼	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nottingham 8½% Red. Stk. '79-80	28¼	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pearson (S) 10% Uns. Ln. 2001-6	162	+⅜
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Prop. Inv. & Fin. 6% Conv. '81-86	111½	+¾
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Rank Org. 8½% U.S. $ Bds. 1986	171	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sime Darby 10% [illegible]	100¼	−½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Slater W. Inv. 6½% Part. Conv. 1981	101½	+½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Smith Enterprises 8% Conv. '78-80	113	−½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tendring Hundred 10% Red. Pref. 1976	106	−1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tower Assets 10% Pref. Cnv. 1976	125½	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Warley 7½% Red. Stk. '79-80	109	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Woking & District Water 9% Deb. [illegible]	[illegible]pm	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	54¾	+¾

"RIGHTS" OFFERS

Issue Price p	Amount paid up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Adeption	89	−3¾
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Brit. Petroleum	100	−5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cable Trust	58	−2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cons. Warrants	17pm	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Deron Estates Pref.	13pm	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Derritron	[illegible]pm	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	22	+2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. Options	17	+2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]pm	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Leeds Assets Defd	[illegible]pm	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]pm	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Park Cake Bakeries	[illegible]pm	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pennine Mtrs.	[illegible]pm	−½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Queens Mot. Hotels	[illegible]pm	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	West Wits	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. k Figures based on prospectus or other official estimates. ¶ Issued by tender. † Offered to holders of Ordinary shares as a "rights." ** Issued by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ¶¶ Provincial quotation. ▲ Introduction. ● Issued to former Preference holders. * Dealt in under Special Rule. § Price at time of suspension.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

If IET was abolished . . .

BY WILLIAM LOW

IT IS SOMEWHAT ironic that the new-found confidence in the dollar has not only provided the Eurobond market with a much-needed boost, but also may mark the beginning of the end of the Eurobond market as it is currently constituted.

A growing number of international bankers are giving serious thought to what will be the effects of a recovery in the U.S. balance of payments position. Should the U.S. move into a healthy surplus, the U.S. Government may well decide to abolish both the Interest Equalisation Tax (IET) and the Office of Foreign Direct Investment (OFDI).

The introduction of IET in 1963 effectively closed the New York capital market to foreign borrowers who, instead, turned to long-term dollar financing in Europe. It was this tax which was responsible for the birth of the Eurobond market. OFDI regulations, which restrict the flow of capital *from the* U.S., forced American corporations to use the Eurobond market as a means of financing foreign investment.

The disappearance of these measures might well result in a *substantial portion of fund-raising* currently carried out in the international capital market being diverted to New York. Although international investors would still subscribe to loans issued in New York, American institutions would certainly play a strong role in the purchase of dollar loans raised by non-U.S. borrowers. This, in turn, might mean that the secondary market in Europe would contract sharply.

Of course, an international capital *market* centred on New York would not necessarily result in the complete decline of the Eurobond market. Many borrowers would not be willing, or able, to register under the U.S. Securities Act, while the time difference would enable some sort of European trading market to operate.

Meanwhile, the $50m. convertible offering by Honeywell has come in for some strong criticism. A number of "Euro" bankers and brokers are unhappy about a speech the Honeywell chairman made in the U.S. just as the Eurobond issue was completed. Part of the speech referred to the difficulty Honeywell would have in matching the 1970 earnings figure. This information, the critics claim, was not made available in the Eurobond prospectus.

It is certainly true that the earnings statement, as attributed to the Honeywell officer, was not printed in the prospectus. According to the managers (headed by White Weld), the company is forbidden by U.S. law to make a forecast even if the offering is done outside the U.S. In addition, the managers maintain that from the information contained in the prospectus it was evident that the 1970 earnings would not be repeated this year.

Two points of interest emerge from this dispute. First, it should be possible for U.S. companies issuing Eurobonds to make forecasts as regards earnings. *Secondly, investors* should read a prospectus more carefully.

It is also debatable whether an officer of a company which is raising funds should make such statements. Had the loan been a domestic one, then *the company* and its officers would have been forbidden to make any comment. There is a case for this rule being extended to offshore offerings by American companies.

● STE DES RAFFINERIES ET SUCRERIES DAY consolidated net sales rose to Frs.824m. in the year to last September 30 from Frs. 772m. in 1969-70. Parent company sales advanced to Frs.724m. from 649m.

Henkel signs pact with USSR

By Christopher Lorenz

FRANKFURT, Nov. 14.

HENKEL, the privately-owned West German detergent and plastics company, has signed a technical and economic co-operation agreement with the Soviet State Committee for Science and Technology. This is claimed to be the first West German-Soviet agreement to exchange information in the consumer goods field.

It covers co-operation in the detergents and glues sector and foresees joint reseach and development, together with the exchange of licences.

Henkel said to-day that the deal should not be seen as a one-way affair. The Soviet side had plenty to offer, particularly in the chemical sector.

IN BRIEF

● BANCO DI ROMA, Commerzbank and Credit Lyonnaise point out that the *new* office opened in Sydney by the banks' group is a representative office and not a branch. It was wrongly reported last week that the banks had opened a Sydney branch.

● INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION declared quarterly dividend of 28¾ cents a share on Common stock, payable on January 15, 1972, on record December 20. Dividend is at annual rate of $1.15 per share.

● ESSO STANDARD, French subsidiary of Standard Oil (New Jersey) said sales rose to Frs.3,218m. in first three quarters from Frs.2,422m. in same period last year.

● SHELL FRANCAISE net sales in first nine months this year rose to Frs. 3,225m. (2,519m.).

● CIMENTS LAFARGE net sales in first nine months advanced slightly to Frs.514m. (504m.).

● NIPPON FUDOSAN BANK will increase its capital from the present Yen 18,000m. to Yen 30,000m. early next year. New capital stock will be allotted to shareholders as of January 20 next year at the rate of two new shares to three old shares, with payment to be completed by March 30. Bank's stock par value is Yen 500.

● CHRYSLER FRANCE (formerly Simca) said net sales rose to Frs.2,792m. in first nine months (2,115m.).

● STE FRANCAISE DES NOUVELLES GALERIES REUNIES net sales rose to Frs. 1,680m. (1,567m.) in first nine months.

● EBAUCHES, of Neuchatel, and the associated Bienne Holding company Asuag Allgemeine Schweizerische Uhrenindustrie, which together form Switzerland's biggest watch industry group, are to take up a majority shareholding in the watch group consisting of Cie. Des Montres Longines, of St. Imier, and Rotary, of La Chaux-De-Fonds. This move, which will leave the companies their present identity, is based on an agreement signed in January of last year and is intended to permit rationalisation in the commercial sector of activities.

MADRID STOCK EXCHANGE PRICES

Percentage of par value (Ptas.500)

Name of stock	Week's High	Week's Low	Close Nov. 12	Change on week	Div. %	Net yield %
Altos Hornos de Vizcaya	95	93	93	−4	5.00	5.37
Banco Central	988	983	988	−6	11.97	1.21
Banco de Bilbao	867	860	867	+10	13.83	1.59
Banco de Vizcaya	787	776	787	+6	14.22	1.80
Banco Espanol Credito*	738	724	738	+8	11.33	1.53
Banco Exterior Espana	378	372	378	+8	9.95	2.63
Banco Hispano Americano	769	756	769	+1	12.01	1.56
Auxiliar Ferrocarriles	114	110	110	−4	7.00	6.36
Cia Ind. Agricolas	276	273	274	−3	8.50	3.10
Cia Esp. Petroleos	375	369.5	370	−3.5	10.20	2.75
Cia Insular Nitrogeno†	126	126	126	—	6.80	5.39
Cia Sevillana Electricidad	245	236.75	238¶	−7	9.50	3.99
Cia Telefonica Nacional	280	277	277	−2	8.07	2.91
Dragados y Construcciones	586	571	586	+8	8.50	1.45
Ebro Cia Azu. Alcoboles	699	694	699	+16	13.60	1.94
Espanola del Zinc	118	117	118	+1	5.10	4.32
Cataluna	248.25	242.25	248.25	+11	10.00	4.02
Galerias Preciados	313	313	313	+1	11.47	3.66
Hidroelectrica Espanola	249.75	245	249.75	+5	10.00	4.00
Iberduero	306	298.75	306	+12.5	10.00	3.26
Union y Fenix Espanol	648	646	648	+5	12.00	1.85
Min Sid Ponferrada‡	140	130	130	−17	6.66	5.12
SA Cros	185	182	185	—	5.10	2.75
SA El Aguila	287	282.5	283	−2	9.35	3.30
SE Auto. Turismo Seat†	401	401	401	−17	15.00	3.74
Astilleros Espanoles	70	68	68	−2	4.25	6.25
Sdad Met. Duro Felguera	67.25	66.50	66.50	−0.75	5.00	7.50
Sdad Nal. Ind. Aplicacion Sniace	138	130	130	−8	8.00	6.15
Union Expl. Rio Tinto	241	237	237	−5	10.20	4.30
Simago†	—	—	300	—	—	—
Banco de Santander	826	815	826	−3	10.78	1.30

Par values: Ptas.500 except * Ptas.250. † Ptas.1,000. ‡ Ptas.150.
§ Ex coupon dividend ¶ Ex rights coupon.
Source: Banco Central Madrid.

AUSTRALIAN WEEKLY LIST

Australian $	Nov. 12	Nov. 5	Australian $	Nov. 12	Nov. 5
Advertiser Newsp'p'r	1.65-1.66	1.62-1.65	Kiwi Int.	1.60-1.76	1.50-1.55
Ansett Transport	0.69-0.70	0.70-0.71	Lend Lease	2.70-2.72	2.65-2.70
Assd. Securities	1.62-1.65	1.65-1.67	M.L.C.	5.96-6.00	‡6.00
Aust. Guarantee	1.65-1.68	1.70-1.72	Maurice Bros. & T.	1.15-1.18	1.12-1.16
Aust. & Kandos C'm't.	0.88-0.90	0.86-0.88	Mayne Nickless	1.48-1.36	1.43-1.45
Aust. Paper Mnfrs.	†1.55	1.61-1.52	Nylex Corpn.	0.91-0.22	0.21-0.95
Boral	1.80-1.22	1.91-1.82	Olympic Cons.	0.80-0.82	0.80-0.22
Bramble Inds.	†1.75	†1.77	Overseas Corp.	1.58-1.60	1.54-1.59
Burns Philp	3.18-3.25	3.10-3.15	Petersville	0.26-0.27	0.25-0.26
Carlton United Brews.	3.80-3.25	3.75-3.78	Queensland Cement	4.30-4.32	4.22-4.36
Carpenter (W.R.)	2.00-2.10	2.62-2.04	Queensland Insnce.	3.25-3.50	2.20-2.23
Castlemaine Perkins	7.75-7.96	7.80-7.20	Rocla Inds.	1.36-1.40	1.38-1.40
Coal & Allied	*0.66-0.68	0.80-0.82	Swan Brewery	‡2.17	2.10-2.15
Commercial Bank	†2.22	2.20-2.25	Television	2.60-2.80	2.50-2.80
Commercial Union	†1.33	2.10-2.26	Thiess	2.00-2.20	2.00-2.16
Commonw'lth Mining	†2.10	†2.00	Thomas Nat. Trans.	1.70-1.72	1.70-1.74
Grace Bros.	1.88-1.95	1.81-1.83	Toobeys	2.62-2.03	1.99-2.01
Hardie Asbestos	4.62-4.12	†4.00	Travelodge	0.67-0.68	0.29-0.70
Herald & Weekly	3.70-3.73	3.70-3.72	Woodside	0.95-0.98	0.93-0.97
Humes	†1.85	1.80-1.85			

† Buyer. ‡ Seller. * Ex-dividend.

TEL AVIV STOCK EXCHANGE

Company	Unit	Prices Nov. 14 1971	Change on the week	Last Div. (Total) Cash	Last Div. (Total) Scrip Bonus	Yield per a'num	High (From Oct. 1970 to Sept. 1971)	Low (From Oct. 1970 to Sept. 1971)
		%	%	%	%	%		
Bank Leumi le-Israel "A"	IL 1	238.5	+0.2	16	25	6.2	272.6	212.6
Bank Leumi Investment	IL 1	178.5	+1.1	16	25	9.4	173.5	148
General Mortgage Bank Bearer	IL 15	147	+6.3	17	23	11.6	187.6	132
Union Bank	IL 1	129	+1.1	2	—	6.2	122	100
IDB Bankholding	IL 20	144.5	+2.1	7	—	4.8	147	102
Discount Bank Investment Bearer	IL 5	162	+0.6	12	—	7.6	165.5	119.4
Israel-British Bank Bearer	IL 10	156	+4.0	12	—	7.2	167	130
Bank Hapoalim Bearer	IL 1	200	−1.7	12	—	6.0	198.5	176
Wolfson-Clore	—	67.5	—	—	—	—	70	62
GDI Tourist	IL 10	76.5	+1.3	7	—	9.1	86.5	50.5
Africa, Palestine Investm't	IL 10	165	+3.3	12	—	7.7	158	92.6
Delek The Israel Fuel Corp. Reg.	IL 10	111	+0.9	12	—	10.8	115	98
Israel Land Development Bearer	IL 1	118.5	+2.3	9	—	7.6	130	66
Rassco Rural and Suburban Settl. Co. 8pc. Pref. Grd.	IL 10	67	+2.7	—	—	—	54.6	36.5
"ATA" Textile "B"	IL 10	108.6	+0.4	11	8	10.1	108.3	25.6
Dead Sea Works	IL 1	116	−2.3	6.8	—	5.1	126	111.0
American Israel Paper Mill Israel Regd.	IL 1	174	−0.6	8.17	—	4.6	912	136.6
Anglo-Israel Investors	IL 1	98.5	—	6	—	5.1	100	76.7
Israel Electric Corp. Israel Regd.	IL 1	66.5	+1.8	7.5	—	13.2	61.6	51.0
Mehadrin (Citrus Groves)	IL 1	147.5	+3.5	10	—	8.7	170	90

Source: Bank Leumi le-Israel, Tel Aviv.

CANADIAN WEEKLY LIST

Stock	Nov. 12	Nov. 5
Alb't Gas Tk Lne A.	47⅞	47½
Argus Corp. Ltd.	†16	10¼
Bethlehem Copper	15	14½
Bovis Corpn.	1.50	1.45
Bric. Columb. Tele	60¾	69¾
Can. & Dom. Sugar	†36¼	†30¾
Can. Iron Foundry	17	17¼
Can Packers Ltd.	17⅝	†17¾
Can. Perm. Mort	16¾	17⅛
Can. Investment Fund	4.78	4.75
Can. Pac. Inv. Cv. Pf.	22⅝	23
Can. Petrofina Pref.	22	—
Conwest Exploration	7.00	7.50
Cor'natn Cr'dit Cp.	†1.00	1.60
Cr. Zell'rb'ch Opr.	17¾	17⅞
Dom. Foundries	20½	20⅝
Dom. Stores Ltd.	13⅝	13⅞
Dom. Textile Co.	18	18
Fraser Co. Ltd.	†12½	†12
Frobex Ltd.	†0.24	0.25
Great Lakes Paper	14⅝	14
Husky Oil Canada	15⅝	18
Kilembe Copper	‡3.16	UNQ.
Labatt John	96¼	82⅛
Labrador Mining	34¾	34
Nat. Drug & Chemical	5⅞	6⅞
N. Canadian Oils	6.05	5.20
Oakwood Pet.	†0.81	†0.80
Permo Gas & Oil	6.37	6.35
Petrofina Can. Ltd.	†18½	18⅛
Steinberg "A"	12¾	12¼
St. Lawrence Corp.	†12	†19
Teck Corp. Ltd.	†4.30	4.25
Traders Grp. Ltd.	13⅝	14⅛
Western Decalta Pet.	6.50	9.65

† Bid. ‡ Asked. * Okalta Oils taken over by Oakwood Petroleum. § Traded.

SINGAPORE

Industrials steady. Tins and Rubbers dull.

—	3	—	3
Industrials		S'pore Tract'n	0.57
		Straits Trad'g	5.40
Boustead	2.62	O. Engineers	2.28
Dunlop	3.70s	Wearne	6.98
Eastern Smelt	2.28	Tractor	2.66
Emso.	3.38	Chemical	1.85
Fraser Neave	5.96	Will'm Jacks	2.78
Gammon	1.84		
Hume Ind.	2.55b	RUBBERS	
Inchcape	4.00	Batu Lintang	1.63
J'dine Waugh	3.16	Dunl'p Estate	1.40
Malay Brwys.	7.35s	Kempas	1.88
Malay Cemt.	1.76		
Malayan Cont	2.54		
Mal. Tobacco	4.94	TINS	
Metal Box	4.41	Austral. Am.	1.68
Ov'sChi'se Bk	2.50	Berjuntai	14.90
Robinson	2.50	Kramat	3.10
Rothmans	2.73	Ku. Kampar	3.28
Shell	3.10	Kuchai	6.85s
Sime Darby	6.00	Lower Perak	1.65s
S'pore C Store	3.28	Petaling Tin	3.90s
Straits S. S.	9.94	Sungei Way	1.28
Straits Times	8.80	Tongkah Hbr	2.48b

s Seller. b Buyer.

HONG KONG

Hong Kong $	Nov. 12	Nov. 2
Government Loan	67.00	67.00
Amalgamated Rubber	3.26	3.36
Associated Hotels	7.40	7.0†
Atlas Electronics	6.76	5.70†
B. & S. Industries	19.00†	12.00
China Light & Power	63.50	64.50
City Hotel	23.00	21.00
Cosmopolitan Properties	3.50	3.45
Dairy Farm, Cold Storage	95.65	94.00
Green Island Cement	48.00	—
Hong Kong Aircraft	22.00	92.00
Hong Kong Development	10.60	16.60
Hong Kng & Whampoa Dock	12.00	19.90
Hong Kong Electric	38.50	38.56
Hong Kong Far East Invest.	17.40	18.00
Hong Kong Kowloon Wharf	69.65	71.00
Hong Kong Land Invest.	38.75	32.25
Hong Kong Shanghai Bank	246.00	256.00
Hong Kong Shangai Hotels	50.50	32.00
Hong Kong Telephone	46.00	47.00
Hong Kong Tramways	21.00	21.30
Hutchison International	36.75	38.25
Do. Do. Preference	222.00	216.00
Internat Pacific Securities	6.30	8.50
Indo China Steam Def.	25.00	25.00
Jardine Matheson	47.00‡	47.00
Lombard Insurance	48.00	48.00
Ralli International	18.80	17.00
Rubber Trust	11.00	10.30
San Miguel Brewery	77.00	77.00
Slater Walker	59.25	62.00
Southsea Textile	14.20	14.20
Taikoo Dockyard	—	91.00§
Textile Alliance	18.00	19.50
Textile Corp of Hong Kong	6.00	6.20
Wheelock Marden	21.20	20.20§
Winsor Industrial	15.00	14.30
Wyncor	9.70	9.49

§ Ex all. † Final div. 43 cents. ‡ Ex div.

AUSTRALIA

JOHANNESBURG

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus. *	Util. Φ	Trading volume† 000's
Nov. 12	72.62	223.04	812.94	111.42	14,540
11	72.61	222.59	814.91	111.61	15,310
10	72.56	226.79	828.15	111.93	15,410
9	72.66	229.64	837.91	113.16	12,060
2	72.68	229.57	837.64	112.54	8,580
6	72.50	228.32	840.39	112.76	10,780
4	72.46	229.14	843.17	112.86	15,750
3	72.43	228.67	842.58	112.38	14,590
2	72.24	225.39	827.98	111.32	13,330
1971 High	72.66 (9/11)	246.55 (7/9)	950.82 (28/4)	128.39 (19/1)	—
Low	66.52 (4/1)	169.70 (4/1)	812.84 (12/11)	108.12 (21/9)	—

* All-time high 995.16 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Nov. 5	Oct. 29	Nov. 14 1970
3.74	3.79	4.17

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	1971 Low	Fri.	Thurs.	Wed.	Tues.	Mon.
57.76 (28/4)	49.73 (4/1)	50.86	50.87	51.58	52.16	52.12

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,881	371	773	335

1970/71	Fri.	Thur.	Wed.	Tues.	Mon.
New Highs	4	2	2	12	11
.. Lows	178	190	127	69	69

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Fri.	Thurs.	Wed.	Tues.	Mon.
26.69 (28/4)	22.72 (14/1)	24.10	24.12	24.61	24.48	24.50
Volume (000's)		3,440	6,110	2,676	2,780	2,050

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Nov. 12	103.36	92.12
.. 11	101.36	92.12
.. 10	103.85	93.41
.. 9	104.05	94.46
.. 8	103.98	94.39
.. 5	104.07	94.46
.. 4	104.46	94.79
1971 High	115.84 (29/4)	104.77 (28/4)
1971 Low	99.73 (4/1)	91.50 (14/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	Nov. 11	Nov. 3	Nov. 4 1970
Industrial div. yield pc	3.07	3.01	3.51
Price-earning ratio	16.72	17.01	15.92
Long-term Govt. Bds. yield pc	5.64	5.57	6.62

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
AMK Inc.	183,200	38¼	−2⅜
Square D	180,100	28	−1
Kennecott	171,300	22¼	−½
Kimb Clk	168,400	24½	−1
Ford	148,000	62½	−¼
Brunswick	139,400	31½	−1
Con. Edison	136,100	26¾	+⅛

TORONTO

INDUSTRIAL INDEX

Nov. 12	Nov. 11	1971 High	1971 Low
161.12	161.46	189.74 (2/1)	159.41 (2/11)

MONTREAL

INDUSTRIAL INDEX

Nov. 12	Nov. 11	1971 High	1971 Low
164.00	165.40	188.90 (20/4)	163.89 (2/11)

COMBINED INDEX

Nov. 12	Nov. 11	1971 High	1971 Low
164.74	165.66	181.05 (26/4)	163.88 (2/11)

JOHANNESBURG

	Nov. 12	Nov. 11	High	Low
Industrials	157.7	158.3	212.4 (19/4)	153.8 (3/11)
Golds	69.8	70.1	89.3 (19/4)	63.1 (25/10)

(1958=100.) Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge Yield on 50 Leading Stocks	Nov. 12	Nov. 11	Nov. 4
On Dividends	5.75	5.76	5.77
On Earnings	9.67	9.67	9.66

SYDNEY ALL ORD. INDEX

Nov. 12	Nov. 11	High 1971	Low 1971
419.22	419.56	518.51 (4/1)	421.46 (3/11)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

Nov. 12	+ or −	Div. %	Yield %
175.59	+6.65	11.90	3.45

	High	Low
1971	206.19 (13/8)	148.88 (5/1)

EUROPE

	Nov. 12	Previous	1971 High	1971 Low
Belg'm (a)	—	—	106.74 (30/7)	90.66 (9/11)
France (bb)	64.2	—	78.2 (22/7)	61.6 (8/11)
Germany*	82.58	90.54	112.71 (23/2)	87.61 (6/1)
Holland (c)	95.2	96.1	122.0 (6/4)	94.2 (9/11)
Italy†	45.64	45.94	60.09 (2/3)	45.28 (28/6)
Sweden (p)	256.30	256.92	282.11 (23/6)	240.71 (6/1)
Switz'rl'd**	367.4	368.1	412.9 (10/4)	346.2 (26.10)

*Herstatt Index. ‡ Base amended to January 2, 1962, from December, 1959. ** Swiss Bank Corporation Index base 100 December, 1968. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (e) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1956. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

OVERSEAS SHARE INFORMATION

Investment $ Premium (based on $2.40 per £1) 18¾% (18½%)

NEW YORK

RAILROADS

INDUSTRIALS, ETC.

PUBLIC UTILITIES

TRUSTS, BANKS & BONDS

TORONTO

MONTREAL

GERMANY ♦

Nov. 12	Price Dm	+ or −	Div. %	Yld %
A.E.G.	132	−1.5	16	6.2
Allianz Versich.	357	+7	12	1.7
Asll N.S.O.	226			

PARIS

Nov. 12	Prices Frs.	+ or −	Div. Frs.	Yld %
Air Liquide	350.5	+0.5	10.23	2.9
Aquitaine	534	−8	13.64	2.5
Banque Ind. Chine	237.5	+2.5	9.02	3.9

MILAN

AMSTERDAM

BRUSSELS

SWITZERLAND ●

OSLO

VIENNA

TOKYO

STOCKHOLM

COPENHAGEN

AUTHORISED UNIT TRUSTS (p***)

OFFSHORE AND OVERSEAS FUNDS (p***)

INSURANCE, PROPERTY, BONDS

Money & Exchanges

Bank Rate 5% (Sept. 2, 1971)

Credit was in good supply in the discount market for most of the week. The revenue flow was generally in the market's favour, although on Monday revenue payments were in excess of Exchequer disbursements. Foreign exchange settlements were a favourable factor Tuesday, as were above target bank balances and Treasury bill maturities Wednesday. The gilt edged settlement was against the market Thursday and Friday, and running bank balances was an adverse factor on Tuesday and Friday.

The authorities gave moderate assistance on Monday by buying Treasury bills and corporation bills from the houses. Surplus funds on Tuesday, Wednesday and Thursday required "mopping up" and a very large amount of Treasury bills was sold to banks and the houses on the first two days. A small amount was sold on Thursday. The authorities did not intervene on Friday.

A rate of around 4½ per cent. was paid for secured day-to-day loans in the early part of Monday and Tuesday. Closing rates on these days were about 3½ per cent., with 2 per cent. paid in places on Tuesday. For the rest of the week opening rates were in the region of 4 per cent., but money was available at 2 per cent. by the close on Wednesday. Late balances were found at 3½-4 per cent., Thursday and Friday, although up to 4½ per cent. was paid in places. In the inter-bank market overnight loans commanded about 4½ per cent. in early dealings Monday and Tuesday. Closing rates were 3½ per cent. and 1-1½ per cent. respectively. Opening rates were in the region of 4 per cent. for the remainder, with late funds found at 2-2½ per cent. Wednesday, 3½-4 per cent. Thursday, and as high as 7½ per cent. in places on Friday.

At the Treasury bill tender the average rate of discount fell 0.0213 per cent. to 4.5480 per cent. The minimum accepted tender of £98.86½ secured quotas of 71 per cent.

The dollar remained under pressure in the foreign exchange market last week, and in some cases was at its lowest level since floating began. Several other currencies showed little change, including sterling, which closed at $2.4939 on Friday, compared with $2.4938 at the end of the previous week. The pound closed at $2.4931 on Monday and remained around that level until Thursday, when a slight upward trend was seen. The U.K. trade figures and an unchanged Bank Rate had little effect, but some commercial demand for sterling in New York supported the rate at the end of the week. Trading has tended to be quiet and movements have been within a very narrow range. Forward sterling continued its firm trend, with the 3-month and 6-month pound hardening to 0.82 cents premium. French commercial francs and German marks finished the week almost unchanged, the D-mark showing a firmer tone than in the early part. Dutch guilders touched a floating high of Fls.3.33½ on Friday, as did the Japanese yen at 328 to the dollar.

EURO-CURRENCY INTEREST RATES

EXCHANGE CROSS-RATES

FOREIGN EXCHANGES

FORWARD RATES

	One month	Three months
New York	1/8-1/4 c.dis	1/4-3/8 c. dis
Montreal	par-1/4 c.dis.	1/8-3/8 c. dis
Amst'dam	Par-1 c.dis	1/4 c. pm-1/4 c. dis
Brussels	Par-20 c. dis	Par 2 Oc.dis
Copenh'n.	Par-5 ore dis	7-12 ore dis
Frankfurt	1/4 pf pm-1/4 pf dis	1½-1 pf pm
Lisbon	10 c. pm-10 c. dis	30c. pm-05c. dis
Milan	1 L pm-2 L dis	Par-3 lr.dis
Oslo	3 ore pm-1 ore dis	7-2 ore pm
Paris	6-3 c. pm	15-18 c. pm
Stockh'lm	1¼-2¾ ore dis	2¾-3¼ ore dis
Vienna	2½ gro pm-1½ gro dis	20 g.ro pm-par
Zurich	4-3½ c. pm	12-11½ c. pm

UNIT TRUST PRICES

(Supplied by Managers)

Prices in pence	Nov. 15	
National Group (:)		
Nat. Unit 'D' Second Series	134.8	142.5
Century Trust	66.7	57.9
Nat. Consolidated Unit Trust	207.0	217.2
Universal Second Unit Trust	22.0	27.0
Commercial Consolidated	223.0	233.2
Hundred Trust	37.0	38.2xd
Gas & Electric Second Series	356.0	368.4
Inv. Sec. General Trust	50.8	52.8
Investors General Trust	203.0	212.4xd
Provident Investors Second	123.0	130.6

CORAL INDEX

Close 398-404

The Financial Times, published daily except Sundays and holidays. U.S. subscriptions $119 (air freight) $194 (air mail) per annum. Second class postage paid at New York, N.Y.

REGIONAL MARKETS

SCOTTISH EXCHANGE

AtlasPlastic(10p)	11	10¼	1.2	9.5
Brunions (Mus)	104	35	1.2	2.4
Coltness Inds.	19	5	1.6	6.6
Craig & Rose£1	188	18½	1.6	8.5
Dykes (J)	170	33	0.7	4.2
Galloway (J)	-1½ B	—	—	—
Hill (Wylie)	26	—	—	—
Lees (J.J.) (10p)	27	20	1.1	7.4
Mackinnon	77½	20	1.8	6.4
Morrison & Gibb.	11¼	—	—	—
Richards (5p)	17½	19	1.4	6.4
Scotcros	33	12	—	9.1
Utd. Wre. Grp.	50	†31½	1.2	†

♣ Prices in pence and denominations of p unless otherwise indicated. Gross redemption yields are given on Government and Corporation stocks. For explanations of other signs see footnotes on inside back page Closing Prices, etc.

WEEKLY AVERAGES OF U.K. INDICES

Week to—	Nov. 12	Nov. 5	Oct. 29	Oct. 22
Financial Times				
Govt. Secs.	79.74	78.86	78.87	79.17
Fixed Interest	78.75	78.62	78.83	78.99
Industr'l Ord.	405.4	403.5	403.3	411.1
Gold Mines	47.0	44.1	43.9	44.6
Dealings mkd.	11,385	11,976	12,288	13,088

Week to—	Nov. 12	Nov. 5	Oct. 29	Oct. 22
F.T.-Actuaries				
Ind. Group	165.32	164.94	167.82	169.63
500-Share	176.78	177.32	180.89	183.44
All-Share	173.98	174.36	177.71	180.36
20-year Govt.	87.17	85.51	85.89	86.10
Red. Debs.	79.43	79.22	79.58	79.74

FINANCIAL TIMES STOCK INDICES

—	Nov. 12	Nov. 11	Nov. 10	Nov. 8	Nov. 2	Nov. 5	A Year ago
Government Sec.	80.33	80.17	79.71	79.34	72.12	79.05	68.78
Fixed Interest	78.85	76.96	78.84	78.87	78.46	78.69	70.74
Industrial Ordinary*	405.8	406.2	410.8	405.4	400.9	400.4	331.5
Gold Mines	47.0	47.1	47.1	47.8	46.4	45.8	33.8
Ord. Div. Yield pc	3.81	3.89	3.84	3.88	5.91	3.92	5.14
Earnings Yield pc (a)	5.09	5.06	5.00	8.05	6.12	6.15	7.85
P.E. Ratio (a)	15.48	18.50	16.87	16.50	16.34	15.30	13.77
Dealings Marked	11,758	10,891	11,094	11,517	11,905	10,318	9,449

*10 a.m. 402.2 11 a.m. 406.7 Noon 405.4 1 p.m. 405.4 2 p.m. 404.2 3 p.m. 404.2

(a) Based on 40% corp. tax from March 30, 1971. Latest Index 01-246 5026

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	80.33 (12/11/71)	68.85 (4/1/71)	127.4 (9/1/35)	64.81 (11/6/69)
Fixed Int.	79.37 (15/10/71)	69.63 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Ind. Ord.	430.8 (7/9/71)	306.3 (3/5/71)	521.9 (19/9/68)	49.4 (26/6/40)
Gold Mines	61.3 (18/5/71)	43.5 (26/10/71)	100.0 (12/9/55)	43.5 (26/10/71)

S.E. ACTIVITY

—	Nov. 12	Nov. 11
Daily—		
Gilt-Edged	223.3	187.1
Industrials	420.8	381.9
Speculative	171.5	168.4
Totals	267.7	247.9
5-day ave—		
Gilt-Edged	807.1	187.2
Industrials	403.6	391.3
Speculative	194.4	193.3
Totals	259.3	252.7

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942. ‡ Corrected figure.

SHARE INFORMATION SERVICE: NOTES

NOTES

price. & Distribution free of U.K. taxes. p*** Pence except where otherwise indicated. • Offered price includes all expenses if bought through managers. † Excluding securities profits payment. z Previous day's price. z Offered price includes all expenses except agent's commission. $ Single premium insurance bonds. ♦ Share split. ♥ Net of tax on capital gains. ● Not authorised by the Board of Trade. ‖ Guernsey yield. ● Not available: exchange rate difficulties.

A copy of this Offer for Sale having attached thereto the documents specified below has been delivered to the Registrar of Companies for registration.
Application has been made to the Council of The Stock Exchange, London, for permission to deal in and for quotation for the whole of the Ordinary Share Capital of the Company, issued and to be issued.

The Application Lists for the Ordinary Shares now offered for sale will open at 10 a.m. on 18th November, 1971, and will close on the same day.

OIL EXPLORATION (HOLDINGS) LIMITED

(Incorporated in England under the Companies Acts 1948 to 1967)

SHARE CAPITAL

Authorised		*Issued and to be Issued Fully Paid*
£600,000	in 6,000,000 Ordinary Shares of 10p each	£600,000

At the close of business on Monday, 25th October, 1971, the total indebtedness of the Company and Oil Exploration Limited (which will become the Company's subsidiary upon permission to deal in and quotation for the whole of the issued share capital of the Company being granted by The Stock Exchange, London) in respect of bank overdrafts and loans amounted to £228,794, *all of which was unsecured. Save as aforesaid and apart from inter-company borrowings,* neither the Company nor Oil Exploration Limited has outstanding debentures, bank overdrafts or other similar indebtedness, mortgages, charges, hire purchase commitments or (other than in the ordinary course of business) any other material contingent liabilities.

Ionian Bank Limited

Offer for Sale 1,500,000 Ordinary Shares of 10p each at 40p per share

(Payable in full on application)

Copies of this Offer for Sale (incorporating Application Form) may be obtained from:
IONIAN BANK LIMITED, 64 Coleman Street, London EC2R 5BD; and
JOSEPH SEBAG & CO., 3 Queen Victoria Street, London EC4N 8DX, and 6 Bruton Street, London W1X 7AG.

Applications (which must be for a minimum of 200 Ordinary Shares or multiples thereof up to 1,000, or in multiples of 500 between 1,000 and 5,000, or in multiples of 1,000 between 5,000 and 10,000, and above 10,000 in multiples of 5,000) must be made on the application forms provided and be lodged with Ionian Bank Limited, New Issues Department, 25/31 Moorgate, London EC2R 6BA, together with a remittance for the full amount payable. Each application form must be accompanied by a separate cheque, drawn on a bank or a branch thereof in England, Scotland or Wales, and must be made payable to "Ionian Bank Limited" and crossed "Not Negotiable". All cheques may be presented for payment on receipt. Completion and delivery of an application form accompanied by the necessary cheque will constitute an undertaking that the cheque will be honoured on first presentation and attention is drawn to the declaration in the application form to the effect that the applicant understands this to be the case. If any application is not accepted the amount paid on application will be returned in full and if an application is accepted for fewer shares than the number applied for, the balance of the amount paid on application will be returned, in each case by cheque through the post at the applicant's risk. The right is reserved to reject any application or to accept any application in part only and in particular to reject multiple or suspected multiple applications.

Arrangements have been made for the registration by the Company of the shares now offered free of stamp duty and registration fees in the names of the purchasers or of the persons in whose favour Letters of Acceptance have been renounced, provided that in cases of renunciation Letters of Acceptance (duly completed in accordance with the instructions contained therein) are lodged for registration not later than 7th January, 1972. Share Certificates will be ready for issue on and after 4th February, 1972.

Acceptance of applications (including underwriting applications) will be conditional upon the Council of The Stock Exchange, London, granting permission to deal in and quotation for the whole of the Ordinary Share Capital of the Company (issued and to be issued) not later than 24th November, 1971. Moneys paid in respect of applications will be returned if such permission and quotation are not granted by that date, and in the meantime will be retained in separate accounts.

The Ordinary Shares now offered will rank for all dividends hereafter declared or paid on the Ordinary Share Capital of the Company.

Directors
SAMUEL HAMBURGER (Chairman), 20 Frognal Way, London, N.W.3
THE HON. EDWARD DAVID GRANT DAVIES, Cefngwyfed, Tregynon, Newtown, Montgomeryshire
MALCOLM HUGH DEES McALPINE, Highfields, Withyham, Hartfield, Sussex
THE HON. CHRISTOPHER LIONEL BALIOL BRETT, Watlington Park, Watlington Oxon

Secretary and Registered Office
IONIAN BANK LIMITED, 64 Coleman Street, London EC2R 6BD

Bankers
IONIAN BANK LIMITED, 64 Coleman Street, London EC2R 5BD
LLOYDS BANK LIMITED, 15 Cheapside, London EC2V 6AJ

Solicitors to the Company and to the Offer
ALLEN & OVERY, 9 Cheapside, London EC2V 6AD

Auditors and Reporting Accountants
SPICER AND PEGLER, Chartered Accountants, 56-60 St. Mary Axe, London EC3A 8BJ

Brokers
JOSEPH SEBAG & CO., 3 Queen Victoria Street, London EC4N 8DX,
and THE STOCK EXCHANGE, LONDON

Registrars
BARCLAYS BANK TRUST COMPANY LIMITED, Registration and New Issues Division, P.O. Box 123,
2 London Wall Buildings, London Wall, London EC2P 2BU

The following is a copy of a letter addressed to Ionian Bank Limited by the Chairman of the Company.

12th November, 1971.

Gentlemen

In connection with your Offer for Sale of 1,500,000 Ordinary Shares of 10p each of Oil Exploration (Holdings) Limited ("the Company"), I have pleasure in giving you the following information.

HISTORY AND BUSINESS OF THE COMPANY

The Company is a public company and on 7th October, 1971, offered to acquire the entire issued share capital of Oil Exploration Limited ("OE") on a share exchange basis. At the date hereof the offers have been accepted in respect of more than 98% of both the Preference and Ordinary Shares of OE and have been declared unconditional subject only to allotment and to quotation being granted by The Stock Exchange, London in respect of the shares of the Company to be issued pursuant to the offers. The Company intends to operate the provisions of Section 209 of the Companies Act 1948 to acquire the outstanding shares of OE which will then become a wholly owned subsidiary of the Company. The Company has similar objects to those of OE mentioned below.

HISTORY AND BUSINESS OF OE

OE was incorporated as a private company on 27th February, 1964 and was converted into a public company on 22nd December, 1965, although no part of its capital has been quoted or dealt in on any Stock Exchange. The principal object of OE is to apply for concessions or licences to explore for and develop oil and natural gas deposits throughout the world, but in particular on the continental shelf of the North Sea. On 2nd July, 1964, OE entered into an agreement ("the Operating Agreement") with *Phillips Petroleum Company ("Phillips") and others under which a consortium ("the Consortium")* was formed with Phillips as Operator to apply for licences and explore for oil and natural gas in the U.K. sector of the North Sea. The members of the Consortium together with their participating percentages are as follows:—

	%
Phillips Petroleum Exploration U.K. Limited, a subsidiary of Phillips	35·00
Fina Exploration Limited, a subsidiary of Petrofina S.A.	30·00
AGIP Limited, a subsidiary of AGIP S.p.A.	15·00
Century Power and Light Limited, a subsidiary of Imperial Continental Gas Association ..	7·22
Plascom (1909) Limited, a subsidiary of Tarmac Limited	4·26
Halkyn District United Mines Limited, a subsidiary of Courtaulds Limited	4·26
OE	4·26

At about the same time Phillips formed other consortia of which OE is not a member to explore in areas of the North Sea outside the U.K. sector.

The terms of the *Operating Agreement (and subsequent amendments thereto) enable* OE *as a member* of the Consortium to participate within a defined area ("the Contract area") in any exploration programme or application for licences. The Contract area consists of the entire U.K. sector of the North Sea south of 59° and north of 51° with the exception of certain blocks in respect of which OE elected in January, 1970, not to participate in applying for licences (Contract No. (1) below). The Operating Agreement further provides that no member of the Consortium may attempt to acquire licences or concessions independently. Each member has the right to elect not to participate in the acquisition of a particular licence or concession, in which case its participating percentage is to be shared by the other members. If the members cannot agree as to the basis of acquiring a particular licence or concession, each of the parties has the right to apply or negotiate independently. Phillips as Operator *is responsible* to the Consortium for the management of all exploration and development activities subject only to the overall authority of the Operating Committee, on which all members of the Consortium have a vote proportionate to their participating percentage. Each member of the Consortium provides a share of all *exploration and development expenses in proportion to his participating percentage, and in accordance* with expenditure budgets laid down from time to time by the Operating Committee. Similarly, each *member* of the Consortium has a right to his undivided proportionate share of any gas or oil which is discovered. No charge is made by Phillips for technical expertise and know-how other than the cost of *salaries, pay roll expenses and overheads attributable to the Consortium activities.*

Since the Operating Agreement was signed the members of the Consortium including OE have been awarded a number of production licences under the Continental Shelf Act 1964. These licences originally covered a total of 25 blocks, the majority of approximately 240 sq. kms. each, on which a total of 20 *"wildcat" or exploration wells have been drilled. A number of these blocks and parts thereof have now* been relinquished under the terms of the licences.

In May, 1966, the Consortium's first well was completed and *significant quantities* of gas were discovered in a structure known as 'Ann'. Subsequent drilling however established that these quantities *were not sufficiently large to warrant commercial development or, at any rate, not at the prices currently* obtainable from the Gas Council, to whom all natural gas discovered in the U.K. Sector of the North Sea must be offered for sale.

In February, 1967 the Arpet Group discovered natural gas in a block about 19 miles north east of Bacton on the Norfolk coast. *Subsequent drilling by the Consortium in an adjacent block to the south* east revealed the existence *of a substantial gas field, now known as the Hewett Field.*

In March, 1969, after protracted negotiations, the Consortium entered into a long-term contract with the Gas Council for the sale of gas from the Hewett Field. This was the first such contract to be negotiated by any of *the companies exploring in the North Sea.*

Early in 1969 the members of the Consortium signed a "unitisation" agreement with the members of the Arpet Group under which the field is being developed as a single entity by Phillips acting as Operator and the net proceeds divided, 54·2 per cent. to members of the Consortium and 45·8 per cent. to the *members* of the Arpet Group. This gives OE a 2·30992 per cent. interest in the whole Hewett *Field.* Whilst the negotiations for these contracts were in progress, the Consortium and the Arpet Group were proceeding with the development of the Hewett Field facilities. These involved the construction of fixed platforms for development wells, the laying of a 30-inch pipeline to shore and the construction of a plant at Bacton to process the gas before delivery to the Gas Council's plant nearby. By the summer of 1969 the major part of these facilities had been installed and delivery of gas to the Gas Council began on 12th July in that year. Meanwhile the Consortium had discovered further reserves of gas in areas some 5-10 miles north of the Hewett Field which extended into an area licensed to the Arpet Group; these reserves were also unitised with the Arpet Group on the same basis as the Hewett Field and, after further *lengthy negotiations, terms were agreed with the Gas Council in April, 1971, for the sale of the recoverable* reserves in those areas on substantially the same conditions as those of the main Hewett Field contract. The same facilities will be used to transport and deliver the gas.

Under the terms of the Gas Council contracts, the Gas Council has undertaken to purchase the entire *estimated recoverable reserves of the Hewett and North of Hewett Fields ("Hewett") over a period of up* to 25 years. Up to September, 1975, the members of the Consortium together with the members of the Arpet Group have undertaken to produce certain minimum annual quantities, and the Gas Council has undertaken to pay for such minimum quantities. Hewett reserves are to be redetermined by the 1st January, 1974, and from October, 1975, minimum annual quantities will be based on such redetermination of reserves. Hewett will not, in any event, reach full production until 1974 and based on operating experience to date, the Consortium and the Arpet Group expect it to remain on full production for between five and eight years thereafter and then to taper off gradually until production ceases to be economic by 1994. *The contracts with the Gas Council also provide some degree of protection against* monetary inflation by means of revisions at three-yearly intervals of the initial sale prices based on indices reflecting changes in industrial costs and in the prices of competitive fuels. The first such revision will take place in 1972.

Since the beginning of 1970 a number of important oil discoveries have been made in the North Sea. In May of that year, Phillips, as Operator for another consortium of which OE is not a member, discovered the Ekofisk Field in Norwegian waters, which, on the basis of its estimated reserves, appears to be one of the largest off-shore fields in the world; In October, 1971, BP and Shell-Esso having drilled in adjacent blocks in the U.K. *sector announced the discovery of a major oil reservoir known as the Forties Field.*

In September, 1970, the Consortium of which OE is a member discovered oil in the U.K. sector about 25 miles west of Ekofisk on a structure known as "Josephine". Owing to technical difficulties the find could not be properly tested. The Consortium plans to drill at least one further well in 1972 to ascertain the importance of this discovery.

In August, 1971, OE as a member of the Consortium participated fully in the Consortium's applications within the Contract area for licences which were offered at that time by the Department of Trade and Industry ("the DTI"). Fifteen "premium" blocks were offered for licence by means of tender. The Consortium submitted tenders for three of these and was awarded one—block 16/27, for which the Consortium's successful tender was £637,666, OE's 4·26 per cent. share being £27,165. At the same time, the Consortium applied for a total of 22 other blocks, all of which are within the area indicated on the map. The outcome of these applications will probably not be announced until early in 1972, at which time licences will be awarded mainly on the basis of exploration programmes negotiated with the DTI, no "premium" being payable.

OE's present interests in the U.K. sector of the North Sea can be summarised as follows (see map):—

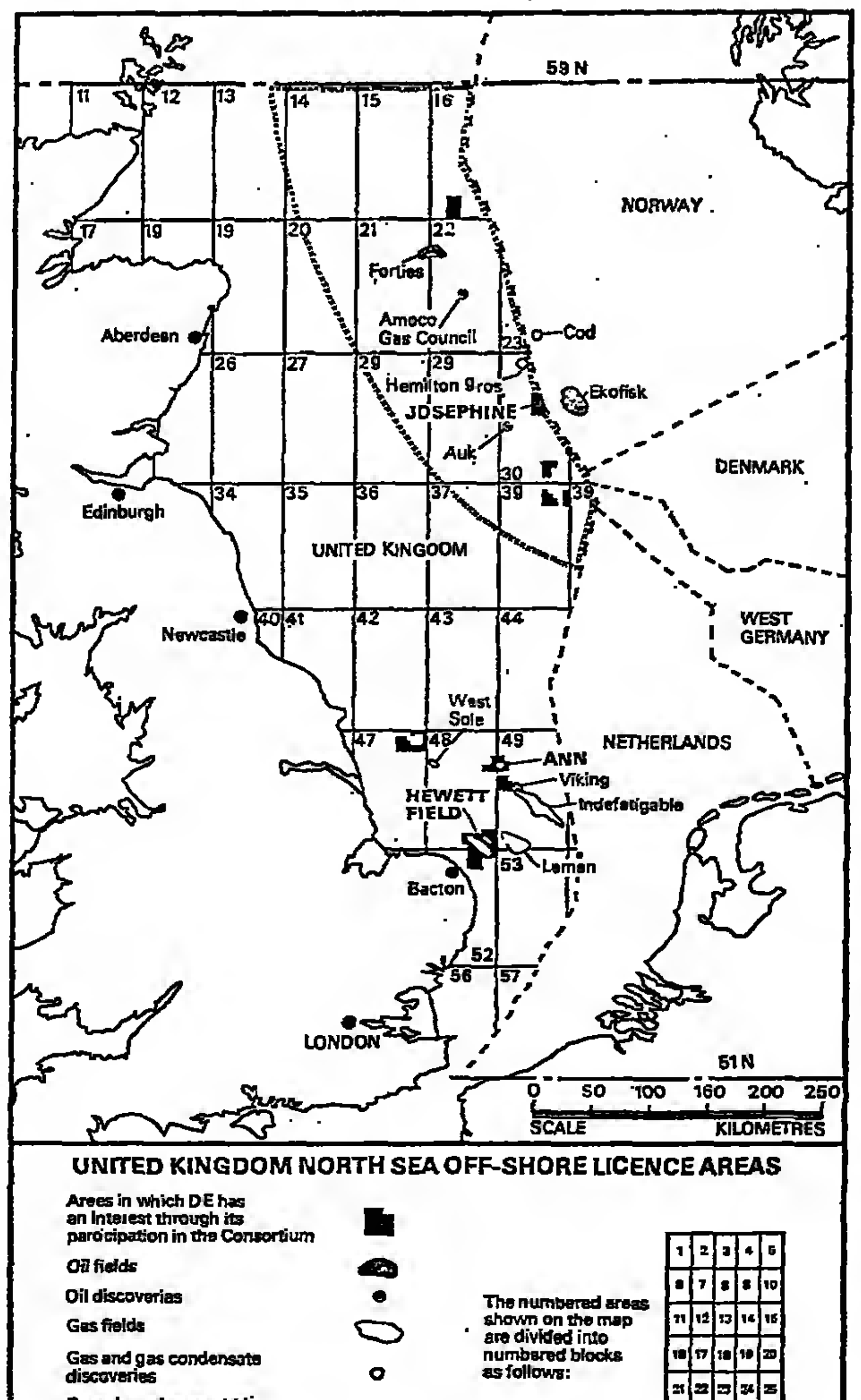
A 2·30992 per cent. interest in the following blocks which contain Hewett:—

48/29 (part)	52/4
48/29 (part)	52/6 (part)
48/30	

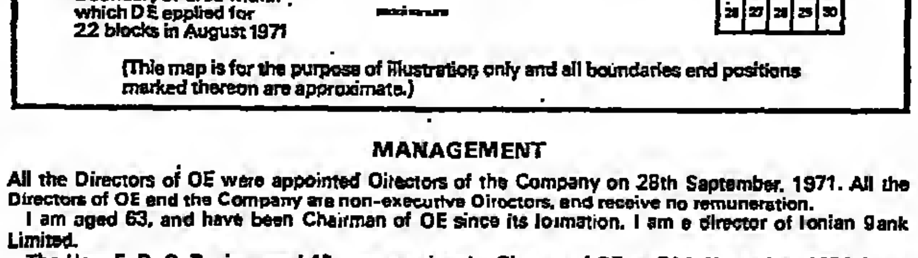
A 4·26 per cent. interest in the following blocks:—

16/27 (The "premium" block referred to above)	47/4 (part)
30/13 (Josephine)	47/5 (part)
30/29 (part)	48/10 (part) } Ann
39/4 (part)	49/6 (part) } Ann
38/5 (part)	49/11 (part) } Ann

A 4·26 per cent. interest in the applications mentioned above for 22 blocks.



UNITED KINGDOM NORTH SEA OFF-SHORE LICENCE AREAS



(This map is for the purpose of illustration only and all boundaries and positions marked thereon are approximate.)

MANAGEMENT

All the Directors of OE were appointed Directors of the Company on 28th September, 1971. All the Directors of OE and the Company are non-executive Directors, and receive no remuneration.

I am aged 63, and have been Chairman of OE since its formation. I am a director of Ionian Bank Limited.

The Hon. E. D. G. Davies, aged 46, was appointed a Director of OE on 24th November, 1964. He is Chairman of National Carbonising Co. Limited, and a director of other companies.

Mr. M. H. D. McAlpine, aged 54, was appointed a Director of OE on 24th November, 1964. He is a director of Sir Robert McAlpine & Sons Limited and other companies.

The Hon. C. L. B. Brett, aged 34, was appointed a Director of OE on 30th July, 1969. He is a director of Ionian Bank Limited and other companies.

Under a Management agreement expiring in 1974, Ionian Bank Limited manages and conducts OE's business, provides office and secretarial facilities and advises on financial matters. Accordingly, neither the Company nor OE has any executive or other staff.

Since shortly after its formation OE has had available, when required, the services of Dr. T. C. Richards, a petroleum exploration consultant.

WORKING CAPITAL

In general it is the Directors' policy to finance Hewett development expenditure and all exploration expenditure out of the Company's existing cash flow. So far as other development expenditure is concerned, it is not practicable at this stage to estimate the amounts which might be involved but having regard to the continuing cash flow arising from Hewett and to the fact that no development would be contemplated unless the Consortium had fully proved a new oil or gas field, the Directors believe that suitable arrangements could, if necessary, be made to enable the Company to finance its share of development expenditure.

On this basis and taking into account the net proceeds, estimated at £370,000, of the issue of 1,050,000 of the above Ordinary Shares, the Directors are of the opinion that the Company will have sufficient working capital for its foreseeable requirements.

PROFITS, PROSPECTS AND DIVIDENDS

The Accountants' Report in the Offer for Sale indicates the results over the first seven years of OE's operations during which time it has been exploring for oil and gas, and since 1969, developing the Hewett Field. The losses in the early years are almost entirely due to OE's practice of writing off exploration expenditure in the year in which it is incurred.

Sales of natural gas began in July, 1969, and these sales constitute at the present time OE's only material source of income. In the two years ended 30th September, 1970 and 1971, gas sales were 105% and 115% respectively of the minimum annual quantities under the Gas Council contracts. In the year 1970 OE made a profit for the first time, and in the six months ended 30th June, 1971, it made a profit of £117,000 before charging net interest payable and exploration expenditure, and £96,000 after charging these items.

As stated above, sales of gas from Hewett are expected to increase substantially during the years 1972 to 1974 and to reach a plateau at that point, followed by a gradual decline from about 1980 to 1994, by which latter date recoverable reserves will have been exhausted. The Directors anticipate that, subject to any unforeseen circumstances, the average annual net profits before tax of OE arising from Hewett for the six years from 1974 to 1979 will be approximately £400,000. The corresponding figure *for the year 1971 is estimated at not less than £220,000.* No allowance has been made in these figures for income or exploration expenditure arising outside Hewett nor for interest payable or receivable by OE.

Apart from its share of the rising income from Hewett, OE's future prospects depend to a great extent on the possibility of proving another major oil or gas find. OE is fortunate in being a member of a Consortium with *Phillips Petroleum Company* as operator and Petrofina and AGIP as partners. These three major international oil companies have a wealth of experience, and their record of success in the North Sea has been outstanding. The U.K. sector of the North Sea is now regarded by the oil industry as one of the most attractive and promising areas for oil exploration in the world, and OE, as a member of the Phillips Consortium, is well placed to take advantage of the situation.

As far as the existing oil find on Block 30/13 (Josephine) is concerned, tests were made after the discovery well on this structure had been drilled. Under these tests the well flowed oil of 32 degrees A.P.I. gravity at the rate of 800 barrels per day from a sandstone reservoir below 12,000 ft. There appear to be other hydrocarbon bearing zones both above and below the tested interval, but these could not be tested conclusively on account of technical difficulties. At least one and possibly two further wells will be needed before it is possible to obtain any indication of the amount of the reserves and whether or not they will be capable of commercial development. The Consortium plans to drill the first such well in the spring or summer of 1972, and accordingly there is unlikely to be any further information on Josephine before about June, 1972. Although the structure lies some 200 miles east of the Scottish coast the considerable cost of development could well be justified if the transportation facilities of neighbouring fields can be shared.

Meanwhile, further exploration work remains to be done on the Consortium's existing licence areas, on Block 16/27—the "premium" block—and on any further blocks which the Consortium may be awarded as a result of its 1971 applications covering 22 blocks. Based on its own seismic information and the experience of other Groups operating in the North Sea, the Consortium believes that the area within which the 1971 applications were made has excellent oil bearing prospects, and that Block 16/27 *in particular may be capable of commercial development.*

The Directors of OE estimate that, in the absence of unforeseen circumstances, the net profit for the year ending 31st December, 1971, after charging loan interest, exploration expenditure (including the premium of £27,196 in respect of block 16/27 mentioned above) and all other expenses, will be not less than £190,000. No corporation tax will be payable on these *profits because of losses brought forward* from previous years. On the basis of this estimate it would be the intention of the Directors of Holdings to declare a dividend of 15 per cent. (1·5p per 10p Ordinary Share) in respect of the period ending 31st December, 1971, payable in May, 1972.

The increasing scale of profits from Hewett over the next three years should enable *appreciably higher* rates of dividend to be paid in the future, despite the fact that expenditure will be incurred on exploration outside Hewett.

The forecast net profits for the year ending 31st December, 1971, would be appropriated as follows:—

	£
Net profit available for Ordinary Shareholders	160,00
Less: Cost of dividend at 15 *per cent.* on the issued share capital of £600,000	90,00
Retained profit	£70,00

On this basis and at the offer price of 40p per Ordinary Share, the *price earnings ratio* is 15 and the dividend yield 3¾ per cent., covered 1·9 times. On the basis of a full corporation tax charge of 40 per cent., the price earnings ratio would be 25.

Yours faithfully,
S. HAMBURGER,
Chairman

ACCOUNTANTS' REPORT

The Directors,
OIL EXPLORATION (HOLDINGS) LIMITED
and
IONIAN BANK LIMITED.

12th November, 197

Gentlemen,

1. Oil Exploration (Holdings) Limited ("Holdings") was incorporated on 22nd September, 1971, and has not yet commenced to trade. On 7th October, 1971, Holdings made *offers to the shareholders of Oil Exploration Limite* ("OE") for the acquisition of all the issued share capital of OE in *exchange for shares in Holdings.* The offers have been accepted in respect of *more than* 98 per cent. of each class of share and the Directors have declared the Offers un conditional subject to permission to deal in and quotation for the issued share capital of Holdings necessary to implement the Offers being granted by the Council of The Stock Exchange, London. The Directors have declared their intention to acquire the outstanding shares under the provisions of *section 209 of the Companies Act 1948.* Conse quently, for the purposes of this report, OE has been treated *as a wholly-owned subsidiary of Holdings.*

2. OE was incorporated on 27th February, 1964; and on 2nd July, 1964, OE's participation in the Consortium referred to below commenced. We have examined the accounts of OE *for the period* from 1st July, 1964 to 30th June, 1971, and have acted as Auditors throughout this period.

3. OE has a 4·26 per cent. interest in a Consortium, led by Phillips Petroleum Company ("Phillips") which was *formed in 1964 to explore for, develop and sell oil* and natural gas reserves in the North Sea. The Consortium has a 54·2 per cent. interest in the Hewett Field ("Hewett"), the Arpet Group owning the remaining 45·8 per cent. All gas produced from Hewett is, and will continue to be, sold under contract to the Gas Council whilst the small volume of natural gasoline by-product is sold under contract to another party.

PROFITS

4. The profits (losses) of OE for the seven years ended 30th June, 1971, are shown in column (4) below. The principal bases of accounting adopted by OE are set out in paragraph 5 below.

(1) Period	(2) Net interest received (paid)	(3) Exploration expenditure	(4) Profit (loss)
	£	£	£
Year ended 30th June, 1965	22,611	48,139	(27,917)
Year ended 30th June, 1966	26,302	76,880	(52,524)
Year ended 30th June, 1967	20,508	107,383	(88,755)
Year ended 30th June, 1968	8,627	108,012	(103,903)
18 months ended 31st December, 1969	(53,018)	85,308	(106,227)
Year ended 31st December, 1970 ..	*(47,233)*	30,117	80,657
Six months ended 30th June 1971 ..	(13,667)	8,775	96,445

5. The principal bases of accounting adopted by OE in respect of its share of the Consortium income and expenditure are as follows:—

(a) Expenditure in respect of *seismic survey, the interpretation* and mapping thereof and the drilling of exploration wells is classified as exploration expenditure and written off as incurred.

(b) Development expenditure (being expenditure incurred on platforms, pipelines, shore establishments and processing equipment) is capitalised and depreciated in the proportion which sales in each accounting period bear to the estimated gross sales proceeds receivable from the Gas Council over the *life of the field.*

(c) Investment grants receivable have been deducted from both exploration and development expenditure.

(d) It is not practicable at each accounting date to establish details of the Consortium's accrued expenditure; accordingly OE's share of exploration and development expenditure is included on a cash basis.

6. The profits (losses) shown in column (4) above are arrived at:—

(a) before charging taxation;

(b) after charging interest payable and crediting interest receivable as shown in column (2) above;

(c) after charging amounts written off in respect of exploration expenditure (less the relevant investment grants) as shown in column (3) above;

(d) after charging depreciation for the period ended 31st December, 1969, of £2,301; for the year ended 31st December, 1970, of £8,078; and for the six months ended 30th June, 1971, of £7,441;

(e) after reclassifying and apportioning as capital expenditure certain expenses previously regarded as exploration expenditure;

(f) after making such adjustments as we consider appropriate.

7. No Directors' remuneration has been paid by OE.

8. Royalties are payable to the Department of Trade and Industry in respect of both gas and natural gasoline on the sales value less transportation costs. The basis of computing transportation costs has not yet been finally agreed with the Department. The amounts charged in arriving at the results shown in column (4) above were: period ended 31st December, 1969, £3,830; year ended 31st December, 1970, £13,947; and half-year ended 30th June, 1971, £11,363, *and are the Directors' estimate of the amount* which will become payable in respect of those periods. The latest information available indicates that the basis will finally be agreed in 1972 but that any variation in the amounts will not be material.

INTERIM STATEMENT

UNILEVER N.V.

DIVIDENDS ON CERTIFICATES FOR ORDINARY SHARES

issued by

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

An interim dividend in respect of the year 1971 of Fl.2.51 per Fl.20 nominal amount of Ordinary Capital of [Un]ilever N.V. has been declared. This dividend is equivalent to the interim dividend in respect of the year 1971 [de]clared on the Ordinary Capital of Unilever Limited calculated in accordance with the Equalisation Agreement [be]tween the two companies.

A similar dividend will be paid to holders of the above Certificates on and after 16th December, 1971 as follows:

[CE]RTIFICATES FOR SUB-SHARES OF FL.12 IN THE NAME OF MIDLAND BANK EXECUTOR AND TRUSTEE COMPANY LIMITED

The dividend is equivalent to Fl.1.506 per Sub-share and will be paid against Serial No. 87. Having regard to the [re]lief from Dutch dividend tax given by certain Conventions concluded by the Netherlands for the avoidance of double [tax]ation, the sterling amount payable per Sub-share is as follows:

	Where the Sub-shareholder is a resident of:— The United Kingdom: and the shares are effectively connected with a business carried on through a permanent establishment in the Netherlands See Note (a)	The United Kingdom: and the shares are not effectively connected with a business carried on through a permanent establishment in the Netherlands See Note (b)	Any other country and in all other cases: The net amount payable per sub-share to shareholders who produce an Inland Revenue affidavit of non-residence is shown according to the rate of Dutch dividend tax deducted—see Note (c)		
	new pence	new pence	new pence	new pence	new pence
[Ste]rling equivalent of Fl. (Converted at Fl.8.3375=£1)	18.0630	18.0630	18.0630	18.0630	18.0630
[Le]ss Dutch Dividend tax [(2]5%) Fl.0.3765 (15%) Fl.0.2259 [pe]r sub-share	4.5157 (25%)	2.7094 (15%)	4.5157 (25%)	2.7094 (15%)	— (0%)
[Le]ss United Kingdom Income Tax at [2]3.75% of the gross dividend	13.5473 4.2900	15.3536 4.2900	13.5473 (d)	15.3536 (d)	18.0630 (d)
[Ne]t amount payable per Sub-share	9.2573	11.0636	13.5473	15.3536	18.0630

(a) In such case Dutch dividend tax is deducted at 25% and from the balance the U.K. paying agent deducts 23.75% of the gross amount. In the Netherlands the 25% dividend tax suffered will be allowed as a credit against the tax payable on the profits of the establishment.

(b) Under the Anglo-Dutch Convention such shareholders are entitled to a reduction in Dutch dividend tax from 25% to 15%. On collection of the dividend in the U.K. the paying agent deducts tax of 23.75% of the gross amount. This represents a credit against the standard U.K. rate (38.75%) for the 15% Dutch dividend tax already suffered.

(c) Shareholders resident in Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands Antilles, Norway, Singapore, South Africa, Spain, Surinam, Sweden, Switzerland, or the United States of America may be entitled to full or partial relief from Dutch dividend tax. A statement of the procedure which must be followed for such relief can be obtained from Midland Bank Limited, New Issue Department, Austin Friars House, Austin Friars, London, EC2P 2BU, or The London Transfer Office, Unilever House, Blackfriars, London, EC4 4BQ.

(d) An Inland Revenue Affidavit of non-residence in the United Kingdom must be produced.

To obtain payment of the above dividends, sub-share certificates must be lodged for marking with one of the following:
Midland Bank Limited, New Issue Department, Austin Friars House, Austin Friars, London EC2P 2BU.
Northern Bank Limited, 2 Waring Street, Belfast BT1 2EE.
Royal Bank of Ireland Limited, Securities Department, 3/4 Foster Place, Dublin.
Clydesdale Bank Limited, 30 St. Vincent Place, Glasgow.

Certificates must be listed on a special form obtainable from the above named banks and left five clear days for [exa]mination.

As evidence of payment Certificates will be endorsed under date 16th December, 1971.

DUTCH CERTIFICATES OF FL.1,000 AND FL.100

Having regard to the double taxation Conventions referred to above the amounts payable per Certificate are as [foll]ows:

	Where the Certificate holder is a resident of — The United Kingdom and the shares are not effectively connected with a business carried on through a permanent establishment in the Netherlands—See Note (a) above		Any other country and in all other cases: The net amount payable is shown according to the rate of Dutch Dividend tax, if such tax is due—see Notes (b), (c) and (d) above			
[Cer]tificate of	Fl.1,000	Fl.100	Fl.1,000	Fl.100	Fl.1,000	Fl.100
[Gro]ss amount of dividend	Fl. 125.50	Fl. 12.55	Fl. 125.50	Fl. 12.55	Fl. 125.50	Fl. 12.55
[Les]s Dutch dividend tax	(15%) 18.83	(15%) 1.88	(25%) 31.38	(25%) 3.14	(15%) 18.83	(15%) 1.88
[Net] amount payable per Certificate	106.67	10.67	94.12	9.41	106.67	10.67

The dividend will be paid against surrender of Coupon No. 87. Coupons can be encashed through Midland Bank [Lim]ited, New Issue Department, Austin Friars House, Austin Friars, London EC2P 2BU or through one of the paying [age]nts in the Netherlands.

Coupons encashed through Midland Bank Limited must be listed on a special form obtainable from that Bank which [con]tains a declaration that the Certificates to which the coupons relate do not belong to a resident of the Netherlands.

A statement of the procedure which must be followed when coupons are encashed through a paying agent in the [Net]herlands, and the names of those agents can be obtained from Midland Bank Limited, New Issue Department, [Aus]tin Friars House, Austin Friars, London, EC2P 2BU or the London Transfer Office, Unilever House, Blackfriars, [Lon]don, EC4P 4BQ.

The proceeds from the encashment of coupons through a paying agent in the Netherlands will be credited to a [con]vertible florins account with a bank or broker in the Netherlands.

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

[Lon]don Transfer Office, Unilever House, Blackfriars, London, EC4P 4BQ.

November, 1971.

COMPANY NEWS

No profit from Black Clawson

AT BEST there will not be a profit for Black-Clawson International in 1971, and the directors will not recommend a dividend.

For the first half the company has incurred a loss of £98,000, against £111,000 in the nine months to June 30, 1970. In the 15 months to end-1970 the company made a profit of £24,000 and paid a dividend of 2½ per cent.—the U.S. parent company waived right to its entitlement.

This year began with an extremely high order book, but as a result of the depression in the economy, and particularly in the pulp and paper industry, the rate of incoming orders has fallen off drastically. This has inevitably led to a low work load for the factory. The directors have already announced a major redundancy as part of the action required to meet the situation.

The closure of the Croydon office and the move of the sales department and design and drawing offices to Newport is now under way and will be complete by the end of the month. The reduced expenditure that will follow is part of the overall plan of cost reduction.

	6 mths 1971 £000	9 mths 1970 £000	15 mths 1970 £000
Trading loss	54	55	*159
Arbitration expenses	44	56	134
Prior debit	—	—	31
Loss before tax	98	111	*24

* Profit.

Lloyd Rakusen loss £36,420

A small second half profit by Lloyd Rakusen (makers of pure foods) reduced the loss for the year to June 30, 1971 to £36,420 after a £38,550 (£37,886) deficit at half-way.

The loss takes into account the increased rates of depreciation now being adopted, which would have given a comparable loss for 1969-70 of £23,000. As referred to in the interim statement £62,770 has been written off plant and machinery and office equipment.

The dividend is again omitted. The previous payment was 6 per cent. for 1968-69.

	1970-71 £	1969-70 £
Loss before tax	34,420	15,176
Tax adjust.	5	2,375
Tax on Covenants	—	29
Cap. expend. w/o	—	2,375
W/o on revaluation	62,770	—
Loss asset sale	204	—
Balance	99,398	20,155
Tax unrequired	10,000	—
Debit balance	89,398	20,155
Debit forward	34,412	154,987

1 Credit.

NORTHBOROUGH

In response to the offer on behalf of Leslie Lavy to purchase the shares of Northborough Investment Trust not already held by him and his associates at 72p per share, acceptances have been received for 17,790 shares. The offer has now been declared closed.

OIL EXPLORATION (HOLDINGS) LIMITED — *continued*

TURNOVER

8. The turnover, being the proportion of the Consortium's gross sales of gas and natural gasoline applicable to OE, [fo]r the 18th months ended 31st December, 1969 (the period in which sales first arose), was £54,718, in the year [e]nded 31st December, 1970, £199,243, and in the half-year ended 30th June, 1971, £167,746.

NET TANGIBLE ASSETS

10. The net tangible assets attributable to Holdings as shown by the audited accounts of OE as at 30th June, 1971 [b]ut after taking account of the net proceeds of the proposed issue of 1,050,000 shares by Holdings were:—

	£	£
FIXED ASSETS		
Exploration expenditure to 30th June, 1971, *less* investment grants	464,614	
Less: Amounts written off	464,614	
		—
Development expenditure after deduction of investment grants (see paragraph 11 below)	476,252	
Less: Depreciation	17,820	
		458,432
CURRENT ASSETS		
Stores and tools (see paragraph 11 below)	12,858	
Investment grants receivable	7,115	
Debtors	28,374	
Bank balances	81,906	
	130,253	
Less: CURRENT LIABILITIES		
Creditors and accrued charges	51,289	
Taxation (see paragraph 12 below)	16,667	
	67,956	
NET CURRENT ASSETS		62,297
		520,729
Less: SHORT TERM LOAN (see paragraph 14 below)		280,000
		240,729
Proceeds of the proposed issue of 1,050,000 shares less estimated expenses		370,000
NET TANGIBLE ASSETS		£610,729

11. Development expenditure and stores and tools represent OE's proportionate interest in the Consortium's total [e]xpenditure on these assets.

12. The liability for taxation incorporates a provision for a potential liability which will arise if the contention of [th]e Inland Revenue as to the date of commencement of trade is sustained. Negotiations are currently taking place to [e]stablish this date of commencement of trade which OE submits to have been May, 1966, when gas was first discovered, and the Inland Revenue submit to have been July, 1969, when gas was first sold. Losses for tax purposes [h]ave not yet finally been agreed with the Inland Revenue but are estimated to amount to not less than £380,000 at [3]0th June, 1971, of which approximately £170,000 is represented by tax allowances in respect of capital expenditure [i]n excess of depreciation charged in the accounts to that date.

13. No provision has been made in the above statement of net tangible assets for costs, estimated to amount to [£]11,500, relating to the offers by Holdings to acquire the whole of the issued share capital of OE.

14. At 30th June, 1971, OE had a short-term bank loan of £280,000; this has subsequently been repaid and new [s]hort-term loan facilities amounting to £250,000 negotiated.

15. According to Phillips' long-term projection of capital requirements, OE's share of further development of [H]ewett during the next 10 years will amount to approximately £1,000,000, of which the Hewett Unit Operating [C]ommittee has so far approved £240,000. In August, 1971, the Consortium applied to the Department of Trade and [I]ndustry for further exploration licences. A licence in respect of one block, 16/27, was granted to the Consortium as a [re]sult of a tender of which OE's share is £27,165, which will be capitalised and written off in the year ending 31st [D]ecember, 1971. The result of other applications will probably not be known until early in 1972.

16. OE has paid no dividends.

17. No audited accounts have been prepared in respect of Holdings since its incorporation or in respect of OE [f]or any period subsequent to 30th June 1971.

Yours faithfully,
SPICER AND PEGLER,
Chartered Accountants.

STATUTORY AND GENERAL INFORMATION

[S]hare Capital

[T]he Company having been incorporated in England on 22nd September, 1971 as a private company and converted [i]nto a public company on 12th November, 1971, has an authorised share capital of £600,000, divided into 6,000,000 [O]rdinary Shares of 10p each, of which 1,050,000 are intended to be issued and fully paid up as a result of this Offer [fo]r Sale and 4,950,000 are intended to be issued credited as fully paid up as a result of the Offers mentioned below. [O]n 7th October, 1971, the Company made offers to the shareholders of OE (Contract No. (2) below) to acquire the [w]hole of the issued share capital of OE in exchange for shares in the Company.

Subject to the fulfilment of the conditions referred to above under the heading "History and Business of the [C]ompany". OE will become the sole subsidiary of the Company. OE was incorporated in England on 27th February, [1]964, and has an issued and fully paid share capital consisting of £500,000, divided into 475,000 10 per cent. Non-[C]umulative Redeemable Preference Shares of £1 each and 500,000 Ordinary Shares of 5p each.

On 12th November, 1971, the Company passed Special Resolutions—

(*a*) increasing the authorised capital of the Company from £100 to £600,000 by the creation of 5,999,000 Ordinary Shares of 10p each;

(*b*) converting the Company into a public company; and

(*c*) adopting new Articles of Association.

[O]ffer for Sale Contract

[U]nder Contract No. (3) below Ionian Bank Limited have agreed, subject to allotment and subject to permission to deal [i]n and quotation for the whole of the Ordinary Shares of the Company (issued and to be issued) being granted by the [C]ouncil of The Stock Exchange, London, not later than 24th November, 1971, to—

(1) purchase from the Vendors named therein a total of 450,000 Ordinary Shares of 10p each in the Company at 40p per share; and

(2) subscribe for 1,050,000 Ordinary Shares of 10p each in the Company at 39p per share;

[(]for payment in each case within seven days after such permission and quotation have been granted) with a view to [s]uch shares being offered to the public under this Offer for Sale. Under this contract the Company is paying the costs [a]nd expenses of and incidental to this Offer for Sale, including the cost of printing, advertising and distribution, Stock [E]xchange quotation fee, the charges of the solicitors and bankers, the cost of obtaining the Accountants' Report set [o]ut above, the expenses of the increase of capital (including capital duty) and a fee of £12,000 to Ionian Bank Limited. The expenses being borne by the Company are estimated at £39,500. Various underwriting agreements have been [e]ntered into by Ionian Bank Limited to which the Company is not a party.

Ionian Bank Limited will pay an underwriting commission of 1¼ per cent., a fee to the brokers and *ad valorem* stamp [d]uty on the transfers to the public under this Offer for Sale of the 450,000 Ordinary Shares referred to in (1) above.

Articles of Association

The Articles of Association of the Company contain provisions (*inter alia*) to the following effect:—

Subject to any special rights attaching to any class of shares, on a show of hands every member personally present shall be entitled to one vote only, and in case of a poll every member present in person or by proxy shall be entitled to one vote for every share held by him.

The Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors such sum not exceeding £10,000 per annum as the Directors may from time to time determine or such larger sum as the Company shall from time to time in General Meeting determine and such remuneration shall be divided among them in such proportion and manner as the Directors may agree or, failing agreement, equally.

The Directors shall be entitled to be repaid by the Company all such reasonable travelling, hotel and other expenses as they may incur in attending and returning from meetings of the Directors or of committees of the Directors, or General Meetings or which they may otherwise incur in or about the business of the Company.

The Directors may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company.

The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund scheme or arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of any company which is a subsidiary of the Company or of the predecessors in business of the Company or of any such subsidiary company, or the wives, widows, families or dependants of any such persons.

The Directors may from time to time appoint one or more of their number to the office of Chairman, Deputy Chairman, Managing Director or Joint Managing Director of the Company or to any other executive office in the management, administration or conduct of the business of the Company for such periods and at such remuneration as the Directors shall think fit, and the Directors may also from time to time (subject to the provisions of any agreement between him or them and the Company) remove him or them from office, and appoint another or others in his or their place or places.

No shareholding qualification shall be required of a Director.

The statutory provisions as to an age limit for Directors apply.

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit in the Company, or whereat the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

A Director may continue to be or become a director of or hold any other office in the management, administration or conduct of the business of any other company in which the Company may be interested, and shall not be accountable for any remuneration, salary, profits, superannuation or other benefits received by him as a director of, or holder of any such office in, or member of any such other company.

The Directors shall in relation to the borrowings of the Company and its subsidiaries ("the Group") restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) for the time being so as to ensure (as regards subsidiaries so far as by such exercise they can ensure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group (exclusive of inter-Group borrowings) shall not without the sanction of the Company in General Meeting exceed an amount equal to three times the aggregate of (*a*) the nominal amount of the share capital of the Company for the time being issued or agreed to be issued, and (*b*) the amounts standing to the credit of the capital and revenue reserves (including any share premium account, capital redemption reserve fund and the balance on profit and loss account) of the Group, all as shown by the latest audited consolidated balance sheet of the Group, but adjusted as may be necessary and appropriate to reflect any variation since the date of such balance sheet in the amounts of such paid-up share capital and reserves, and to exclude any amounts attributable to goodwill or other intangible assets and any sums set aside for taxation and any amounts attributable to minority interests in subsidiaries and after making such other adjustments (if any) as the Auditors for the time being of the Company may consider appropriate.

Contracts

The following contracts, not being contracts in the ordinary course of business, have been entered into within two years immediately preceding the date of this Offer for Sale and are or may be material:—

(1) Agreement dated 2nd January, 1970, between Phillips Petroleum Exploration U.K. Limited (i), Fina Exploration Limited (ii), Agip Exploration (U.K.) Limited (iii), Century Power & Light Limited (iv), Halkyn District United Mines Limited (v) and OE (vi) under which Halkyn and OE elected not to participate in the application for certain blocks therein mentioned, in the U.K. sector.

(2) Offer document dated 7th October, 1971, whereby the Company offered to acquire the issued share capital of OE, and Form of Acceptance and Transfer.

(3) Agreement dated 12th November, 1971 between the Vendors named therein (i), the Directors of the Company (ii), the Company (iii), Ionian Bank Limited (iv) and S. L. Fenn and J. D. Spicer as attorneys for the Vendors (v) being the Offer for Sale contract referred to above.

Directors' Interests

The interests of the Directors, including their family interests (as defined for the purposes of the Regulations of The Stock Exchange, London) in the issued Ordinary Share capital of the Company, after giving effect to Contract No. (2) above, will be as shown below:—

	Ordinary Shares of 10p each (Beneficial)
S. Hamburger	8,000
The Hon. C. L. B. Brett	8,180

Mr. S. Hamburger is one of the Trustees of the Ionian Bank Limited 1958 Staff Pension Scheme who will, after giving effect to Contract No. (2) above hold 11,880 Ordinary Shares of the Company.

None of the Directors is interested as a Vendor under Contract No. (3) above or in the proceeds of sale thereof.

Other Interests

After giving effect to Contracts Nos. (2) and (3) above, Minerals Separation Limited will be interested in 13·6 per cent of the issued Ordinary Share capital of the Company.

Taxation

The Directors believe that immediately following the completion of this Offer for Sale, the Company will cease to be a close company as defined in the Income and Corporation Taxes Act 1970.

OE has obtained clearances in respect of surtax and shortfall for all relevant periods to 31st December, 1970, under Section 262 of the Income Tax Act 1952, Section 77 of the Finance Act 1965 and Section 289 of the Income and Corporation Taxes Act 1970.

The Directors have been advised that there is no likelihood that any Estate Duty will fall upon the Company or OE.

General

No share or loan capital of the Company or of OE is under option or agreed conditionally or unconditionally to be put under option.

Except as mentioned herein—

(i) no share or loan capital has been issued or agreed to be issued by the Company or OE within the two years preceding the date of this Offer for Sale; and

(ii) no commissions, discounts, brokerages or other special terms have been granted during the two years preceding the date of this Offer for Sale in connection with the issue or sale of any capital of the Company or of OE.

The Directors are not aware of any litigation or claims of material importance pending or threatened against the Company or OE.

There are no arrangements or long-term service agreements with the Company or OE whereby the Company will be unable, without a claim for substantial damages arising, to see that such changes as it desires are made in the Directors or higher management of OE.

Application will be made under Section 55 of the Finance Act 1927 (as amended) for exemption from *ad valorem* stamp duty and relief from capital duty on the acquisition by the Company of the issued share capital of OE.

The minimum amount which in the opinion of the Directors must be raised by the issue of 1,050,000 Ordinary Shares to be subscribed by Ionian Bank Limited under Contract No. (3) above (being part of the shares comprised in this Offer for Sale), in order to provide for the matters specified in paragraph 4 of Part I of the Fourth Schedule to the Companies Act 1948, is £409,500, being as to £200 for preliminary expenses and the balance for working capital.

A Certificate of Exemption under Section 39 of the Companies Act 1948 has been granted by the Council of The Stock Exchange, London.

Spicer and Pegler have given and have not withdrawn their written consent to the issue of this Offer for Sale with the inclusion therein of their Report set out above in the form and context in which it is included.

The documents attached to the copy of this Offer for Sale delivered to the Registrar of Companies for registration are the written consent referred to above, copies of Contracts (1) to (3) above and a written statement by Spicer and Pegler setting out the adjustments made in arriving at the figures shown in their Report and giving the reasons therefor.

Copies of Contracts (1) to (3) above, the Accountants' Report set out above, the above-mentioned consent and statement, the Memorandum and Articles of Association of the Company and the audited accounts of OE in respect of the last two financial periods for which audited accounts have been made up may be seen at the offices of Allen & Overy, 9 Cheapside, London, E.C.2 during usual business hours on any weekday (excluding Saturday) for a period of 14 days from the date of publication of this Offer for Sale

12th November, 1971.

FORM OF APPLICATION

THE APPLICATION LIST WILL OPEN AT 10 a.m. ON THURSDAY, 18th NOVEMBER, 1971, AND WILL CLOSE ON THE SAME DAY.

This Form should be filled in and forwarded to Ionian Bank Limited, New Issue Department, 25/31 Moorgate, London EC2R 6BA, together with a cheque for the full amount payable on application, so as to arrive not later than 10 a.m. on Thursday, 18th November, 1971. Cheques which must be drawn on a bank in and be payable in England, Scotland or Wales, must be made payable to "Ionian Bank Limited" and be crossed "Not Negotiable" and are liable to be presented for payment on receipt. A separate cheque must accompany each application. No application will be considered unless these conditions are fulfilled.

IONIAN BANK LIMITED

OFFER FOR SALE

1,500,000 Ordinary Shares of 10p each at 40p per share
(Payable in full on application)

of

OIL EXPLORATION (HOLDINGS) LIMITED

To: IONIAN BANK LIMITED.
Gentlemen,

Number of shares for which application is made ✱	*Amount of cheque enclosed* ✱
	£

✱Applications must be for a minimum of 200 shares; applications for up to 1,000 shares must be in multiples of 200 shares, between 1,000 and 5,000 shares in multiples of 500 shares, between 5,000 and 10,000 shares in multiples of 1,000 shares, and above 10,000 shares in multiples of 5,000 shares.

Examples of amounts payable on application:—

200 shares	£80	1,000 shares	£400
400 shares	£160	2,000 shares	£800
600 shares	£240	5,000 shares	£2,000
800 shares	£320	10,000 shares	£4,000

I/We enclose a cheque payable to Ionian Bank Limited for the above-mentioned sum, being the amount payable in full on application for the stated number of the above Ordinary shares of 10p each at 40p per share and I/we offer to purchase that number of shares and I/we agree to accept the same or any smaller number in respect of which this application may be accepted upon the terms of your Offer for Sale dated 12th November, 1971 and subject to the Memorandum and Articles of Association of the Company. I/We authorise and req[uest y]ou to place my/our name(s) on the Register of Members of the Company as holder(s) of that numbe[r of] shares in respect of which this application is accepted. I/We request that you send to me/us a fully paid renounceable Letter of Acceptance in respect of such Ordinary shares, together with a cheque for any amount overpaid, by post at my/our risk to my/our address first given below.

An applicant who is unable to make the following Declaration should delete it and consult an Authorised Depositary* (or an Approved Agent in the Irish Republic†) through whom lodgement should be effected.

I/We declare that I am/we are not resident outside the Scheduled Territories‡ and am/are not acquiring the Ordinary shares as the nominee(s) of any person(s) resident outside those Territories.

I/We understand that due completion and delivery of this Application Form accompanied by a cheque will constitute an undertaking that the cheque will be honoured on first presentation.

..................................Signature. Dated.................., 1971.

PLEASE USE BLOCK LETTERS

Surname and designation (Mr., Mrs., Miss or Title)

Christian Name(s) (in full)

Address (in full)

(2) Signature................ (3) ....

Surname................
Mr., Mrs., Miss or Title

Christian Name(s) (in full)................

Address (in full)................

Please pin top left corner of cheque here

ALL JOINT APPLICANTS MUST SIGN

A Corporation should sign under the hand of a duly authorised official who should state his representative capacity.

No receipt will be issued for the payment on application but an acknowledgment will be forwarded in due course through the post by fully paid renounceable Letter of Acceptance and/or the return of application moneys or any surplus thereof.

EXCHANGE CONTROL ACT, 1947

*Authorised Depositaries are listed in the current issue of the Bank of England's Notice E.C. 1 and include Banks and Stockbrokers in, and Solicitors practising in, the United Kingdom or the Channel Islands.

†An Approved Agent in the Irish Republic is defined in the current issue of the Bank of England's Notice E.C. 10 (Third Issue) (as amended) as a Bank in the Irish Republic, a member in the Irish Republic of a Stock Exchange in the Irish Republic or of the Provincial Brokers' Stock Exchange or a Solicitor practising in the Irish Republic.

‡The Scheduled Territories at present comprise:—The British Commonwealth (except Canada and Rhodesia), the Irish Republic, British Trust Territories, British Protectorates and Protected States, Bahrain, Iceland, the Hashemite Kingdom of Jordan, Kuwait, Libya, Qatar, South Africa and South West Africa, Western Samoa, the People's Democratic Republic of Yemen.

Application has been made to the Council of The Stock Exchange, London for permission to deal in and for quotation for the whole of the share capital, issued and now being issued, of the Company. The Application List for the Ordinary shares now offered will open at 10 a.m. on 18th November, 1971 and may be closed at any time thereafter on the same day.

SINGER & FRIEDLANDER LIMITED

Offer for Sale 1,050,000 Ordinary shares of 10p each at 84p per share

Payable in full on application of

ALIDA PACKAGING CO. LIMITED

("Alida")

SHARE CAPITAL

Authorised		*Issued and now being issued fully paid*
£400,000	in 4,000,000 Ordinary shares of 10p each	£300,000

The Ordinary shares now offered rank in full for all dividends hereafter declared or paid on the issued ordinary share capital.

Alida has outstanding a secured bank overdraft which on 1st November, 1971 amounted to £162,123, secured loans of £71,805 (of which £60,000 is to be repaid out of the net proceeds of the issue of shares referred to below) and hire-purchase commitments which on the same date aggregated £43,594. Save as aforesaid, and apart from inter-company transactions, neither Alida nor any subsidiary has outstanding any bank overdrafts or other similar indebtedness, loan capital, mortgages, debentures, charges, hire-purchase commitments or (save in the ordinary course of business) any material guarantees or other material contingent liabilities.

Applications (which must be for a minimum of two hundred shares and in multiples of one hundred shares up to two thousand shares, in multiples of one thousand shares up to twenty thousand shares, and thereafter in multiples of five thousand shares) must be made on the Application Forms provided and *forwarded to Singer & Friedlander Limited, New Issue Department, Walker House, 87 Queen Victoria Street, London, EC4V 4AN* to arrive not later than 10 a.m. on 18th November, 1971. Each Application Form must be accompanied by a separate cheque (drawn on a bank or branch thereof in England, Scotland or Wales) in respect of the full amount payable on application made payable to Singer & Friedlander Limited and crossed "& Co. Not Negotiable". No application will be considered unless the above conditions are fulfilled.

Singer & Friedlander Limited reserves the right to present all cheques for payment on receipt, to retain Letters of Acceptance and surplus application moneys pending the clearance of all cheques and to reject applications and, in particular, multiple and suspected multiple applications.

Preferential consideration will be given in respect of a maximum of 50,000 Ordinary *shares to applications made by employees (other than the Directors) on the special forms* provided for the purpose. Such applications must be for a multiple of 100 shares with a minimum of 100 shares.

Acceptance of applications will be conditional upon the granting of permission to deal in and quotation for the whole of the share capital, issued and now being issued, of Alida by the Council of The Stock Exchange, London not later than 26th November, 1971. Moneys *paid in respect of applications will be returned if such permission and quotation have not* been granted by that date and, in the meantime, will be retained in a separate account.

If any application is not accepted the amount paid on application will be returned in full and, if any application is accepted for fewer shares than applied for, the balance of the amount paid on application will be returned by cheque through the post, in either case at the applicant's risk.

Letters of Acceptance will be renounceable up to and including 14th January, 1972. The shares now being offered for sale will be registered free of stamp duty and registration fees in the names of the purchasers or persons in whose favour Letters of Acceptance have been renounced, provided that, in the case of renunciation, Letters of Acceptance duly completed in accordance with the instructions contained therein are lodged for registration on or before 14th January, 1972. Share certificates will be ready for delivery on and after 11th February, *1972.*

Copies of this Offer with Application Forms can be obtained from:—

Singer & Friedlander Limited
New Issue Department, Walker House, 87 Queen Victoria Street, London EC4V 4AN
123 Hagley Road, Edgbaston, Birmingham B16 8LP
Westminster House, Park Row, Leeds LS1 5BQ
38 Bridlesmith Gate, Nottingham NG1 2GQ
14 St. Vincent Place, Glasgow G1 2EU

L. Messel & Co.
Winchester House, 100 Old Broad Street, London EC2P 2HX

National Westminster Bank Limited
34 Bath Street, Ilkeston, Derbyshire DE7 8GW
28 Irongate, Derby DE1 3HP
16 South Parade, Nottingham NG1 2JX

A copy of this Offer for Sale, having attached thereto the documents specified *below, has been delivered to the Registrar of Companies for registration.*

Directors
ROBERT HAYDN MORLEY, Hightrees Lodge, 455 Burton Road, Derby
(Chairman and Managing Director)
HAYDEN ALFRED COWARD, Hagghook Wood, Ravenshead, Nottingham
(Works Director)
REX STONE, A.C.A., Tamerind, Ashbourne Road, Cowers Lane, Derbyshire
(Financial Director and Secretary)
IAN GEORGE HUMPHREYS, Brick Kiln Lane, Morley, Derbyshire
(Sales Director)
DAVID LINDSAY SMITH, 23 St. Peter's Avenue, Anlaby, East Yorkshire
(Non-Executive)
NIGEL VINSON, 34 Kynance Mews, London, S.W.7
(Non-Executive)

Bankers
NATIONAL WESTMINSTER BANK LIMITED
34 Bath Street, Ilkeston, Derbyshire DE7 8GW

Brokers
L. MESSEL & CO.
Winchester House, 100 Old Broad Street, London, EC2P 2HX
and The Stock Exchange, London

Solicitors
To the Company:
SHACKLOCKS & ASHTON HILL
Pearl Assurance House, Friar Lane, Nottingham, NG1 6BX
JACKSON & MOSS
Malin House, St. Mary Street, Ilkeston, Derbyshire DE7 8BH
To the Offer:
SLAUGHTER AND MAY
35 Basinghall Street, London, EC2V 5DB

Auditors and Reporting Accountants
PEAT, MARWICK, MITCHELL & CO. (Chartered Accountants)
11 Ironmonger Lane, London, EC2P 2AR
and Eldon Chambers, Wheeler Gate, Nottingham, NG1 2NS

Secretary and Registered Office
REX STONE, A.C.A.
Heanor Gate Industrial Estate, Heanor, Derbyshire, DE7 7RG

Registrars and Transfer Office
SINGER & FRIEDLANDER LIMITED
Bourne House, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

THE INDUSTRY

Low-density polythene is the principal material used in flexible plastic packaging. The table below shows the growth in consumption of low-density polythene in the United Kingdom since 1965. Polythene is hygienic, durable, water-proof, flexible and transparent; it is also easy to use, store and handle and can compete in price with other packaging materials. The intrinsic qualities of polythene as a packaging material suggest that much of this growth has been obtained at the expense of more traditional materials such as paper and board and that growth will continue at a substantial rate.

United Kingdom consumption of low-density polythene in film and sheet

Calendar Year	1965	1966	1967	1968	1969	1970
Tons	64,800	76,700	87,500	106,700	131,000	144,000

The above table has been compiled from figures published by the magazine "British Plastics".

Low-density polythene is normally used as a loose wrapping, but increasing use is now being made of a type of low-density polythene film which is suitable for "shrink-wrapping"; by the application of heat this type of film can be made to shrink round the product, thereby producing a close wrapping which is now being used, in particular, for packaging many types of food. Another aspect of the industry is the increasing interest in the use of packaging materials made from high-density polythene, which has qualities similar to tissue paper but is stronger.

HISTORY

Alida was incorporated on 8th April, 1965 under the name Alida Print & Packaging Co. Limited to acquire the *business of wholesalers of polythene bags which had been founded approximately six months previously by three* partners, two of whom were Mr. R. H. Morley and Mr. H. A. Coward. The name was changed to the present name on 17th January, 1969. Alida has two wholly owned subsidiaries, neither of which is now trading: Alida Extrusions Limited was incorporated on 19th July, 1968 to carry out the extrusion of polyethylene granules into polythene film, which it sold exclusively to Alida, and ceased to trade on 31st March, 1971; Alida Engineering Limited was incorporated on 10th January, 1969 to provide general engineering services for Alida and ceased to trade on 31st March, 1970. All the assets of the two subsidiaries were transferred to Alida, which now carries on the entire business.

The business of the partnership was conducted from premises on the outskirts of Nottingham but shortly after the incorporation of Alida larger premises were acquired at Ilkeston, Derbyshire, where in addition to the original wholesale business Alida began the conversion into bags of polythene film purchased from outside suppliers. The premises at Ilkeston proved too small for the expanding business and in September, 1967 it was moved again to a new freehold factory and office block at Heanor Gate Industrial Estate, Heanor, Derbyshire; during the following twelve months new plant and equipment was purchased which enabled Alida to commence manufacture from the basic raw material and in 1970 and early 1971 adjacent land and premises were acquired to allow for the further expansion of the business.

BUSINESS

The business of Alida now consists of producing polythene film and bags and printing them to customers' specifications. Alida has concentrated on the manufacture of film and bags from low-density polythene. The process of manufacture comprises three main operations, the extrusion of polythene film from the raw material, printing (if required) and bag-making. The raw material is polyethylene in granular form which is melted and extruded under *pressure, producing lengths of plain or coloured polythene* film *between* 1 *inch and* 90 *inches wide and of various* thicknesses. The film can be over-printed to the customer's requirements in combinations of up to four colours; during the six months ended 30th September, 1971, approximately 25 per cent. of Alida's sales were of film and bags which have been printed in this way. The bag-making machinery converts the reeled film into bags in a wide variety of sizes and styles. With its existing machinery Alida is able to produce bags ranging in width from 1 inch to 90 inches and to any length which the customer might be expected to require.

A small proportion of Alida's production of low-density polythene is already used for shrink-wrapping, a market *which the Directors consider will become more important.*Alida has carried out production *trials with high-density* polythene but the Directors consider that production of this material from the machinery currently on the market would not be sufficiently profitable; Alida intends to purchase machines which are now being developed for the production of high-density polythene at higher output rates and these are expected to be available during 1972.

The main sources of supply of polyethylene are major petro-chemical companies. Although during the six months ended 30th September, 1971, Alida purchased approximately 80 per cent. of its requirements from two suppliers, Alida has no long term buying arrangements and is thus able to maintain an independent and highly flexible buying policy.

During the six months ended 30th September, 1971 approximately 22 per cent. of Alida's turnover represented film sold in reeled form to merchants, to other makers of polythene bags and to a variety of industrial customers who use the film as a protective covering for their own products. The remaining 78 per cent. of turnover represented film which had been converted by Alida into plain or printed bags and sold to merchants and industrial and retail outlets.

At 30th September, 1971 there were approximately 1,500 active customer accounts. In the six months to 30th September, 1971, sales to merchants accounted for about 44 per cent. of Alida's turnover. These merchants in many instances operate as specialised suppliers of packaging materials in their districts and carry stocks of polythene in both reeled and bag form. By carrying these stocks the merchants are able to offer a specialised and immediate service to their customers. Alida's policy is to continue to encourage the growth of merchanting outlets.

In addition to the retail distribution industry, in which Alida's products are principally used for packaging foodstuffs, textiles, stationery and hardware, other important users are in the engineering, pharmaceutical and chemical, furniture and motor industries. Alida also supplies numerous regional hospital boards and local authorities. In the six months ended 30th September, 1971, no one merchant or other customer accounted for more than 4 per cent. *of Alida's sales. Customers include:—*

The Boots Company Limited	John Player & Sons
N. Corah (St. Margaret) Limited	Quinton Hazell (Silencers) Limited
Littlewoods Mail Order Stores Limited	Raleigh Industries Limited
The Nestlé Company Limited	Key Terrain Limited (a subsidiary of Reed International Limited)
Spicer-Cowan Limited	
Pirelli Limited	

Alida places its emphasis on service to the customer. Sales are effected through eleven representatives and four agents. Alida's support of the merchants among its customers is another aspect of its policy of providing a fast and reliable source of supply of packaging materials to the customers' special requirements. Alida's machinery and factory premises are very modern; its ability to provide this service to its customers is enhanced by the efficient use of its production facilities which are kept in constant operation day and night for seven days per week.

PLANT

Alida's plant consists mainly of extruding, printing and bag-making machines which are maintained by its own specialist employees. All major items of machinery have been installed since early 1967, and all twenty-two extruding machines, four of the five printing machines and seventeen of the nineteen bag-making machines are less than three years old. Of these machines, twenty-six are subject to hire-purchase or leasing agreements; the other twenty (including all those acquired since 1st April, 1971) have been purchased outright.

It is a cornerstone of Alida's policy to take immediate advantage of significant technical improvements in machinery. Its bag-making and printing machines are depreciated over five years and the extruding machines over eight years. These rates of depreciation are intended to enable Alida to replace machines swiftly in accordance with this policy.

At 1st November, 1971, Alida had on order new plant costing in aggregate approximately £109,000 for phased delivery over the period to 31st July, 1972.

PREMISES

Alida occupies two adjacent freehold premises at Heanor Gate Industrial Estate, Heanor, Derbyshire. None of the buildings is over eight years old and over half the accommodation has been built for Alida in the last two years.

These premises have a total site area of approximately 16,945 square yards on which there has at present been built accommodation comprising approximately 84,000 square feet including office accommodation of 5,000 square feet and ground floor factory space of about 73,350 square feet. The premises were valued by Messrs. Frank Innes, Chartered Surveyors, of 14 St. Peter's Gate, Nottingham on 23rd August, 1971, on the basis of their market value with vacant possession, at £316,500. As will be seen from the Accountants' Report, this valuation has been incorporated in Alida's Balance Sheet. The Department of Trade and Industry has confirmed to Alida that industrial development certificates are currently freely available in Heanor, which is part of the Notts./Derby Intermediate Area in which certain of the incentives for regional development (including building grants) are available under the Local Employment Act 1970.

Alida is also still the owner of the freehold premises which it formerly occupied in Ilkeston, Derbyshire. These are now let at an annual rent of £442.

MANAGEMENT AND STAFF

Mr. R. H. Morley is 41 years of age and was a co-founder of the business. He is the Chairman and Managing Director and is responsible for long-range planning and overall policy.

Mr. H. A. Coward, also a co-founder, is 39 years of age. He is the Works Director and is responsible for production planning.

Mr. R. Stone, who is 33 years of age, joined Alida in May, 1969. He is the Financial Director and Company Secretary.

Mr. I. G. Humphreys, who is 33 years of age, joined Alida in July, 1969, and is the Sales Director.

Mr. D. L. Smith, who is aged 35, is a non-executive Director. He is a Director of Northern Dairies Limited, two subsidiaries of which are shareholders of Alida.

Mr. N. Vinson who is aged 40, is also a *non-executive* Director. Mr. Vinson was the founder and is Chairman and Managing Director of Plastic Coatings Limited, the issued share capital of which was acquired by Imperial Tobacco Group Limited in June of this year, having been previously quoted on The Stock Exchange, London.

All the executive Directors have entered into Service Agreements with Alida for 3 years from 1st September, 1971 (Contracts (9) to (12) below).

Alida has approximately 250 employees. The Board is supported by a team of capable young executives, the senior of whom have, during the past two years, invested in Alida's share capital. Relations between management and staff are excellent. Alida is considering the introduction of a pension and life assurance scheme.

PROCEEDS OF ISSUE

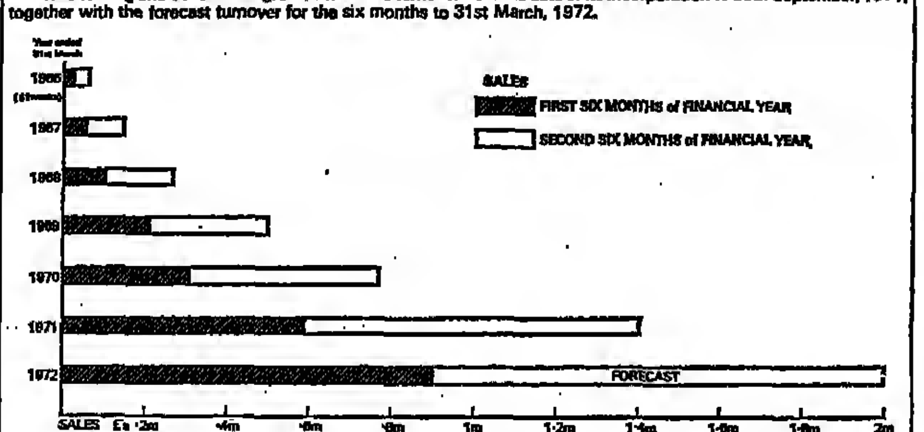
The net proceeds of the subscription of 350,000 new Ordinary Shares of 10p each by Singer & Friedlander Limited (Contract (13) below) are estimated to amount to £243,855. Of this sum £60,000 will be applied in discharging a secured loan from Alida's bank and the balance will be available to reduce Alida's bank overdraft and for the purchase of new plant. Taking into account the estimated net proceeds of this issue and the bank overdraft facilities available to Alida, the Directors are of the opinion that Alida has sufficient working capital for its present requirements.

PROFITS, PROSPECTS AND DIVIDENDS

Historic and current trends in the packaging industry suggest that demand for Alida's products will continue to grow. Accordingly in November, 1969, the Directors decided upon a substantial investment programme. This consisted of doubling the accommodation then available and the acquisition of 27 new machines by 30th September, 1971; in addition by March, 1971, the number of employees had been increased to the level required to handle turnover at the rate of £2,000,000 per annum. The short-term effect was to reduce profit margins while the expected additional turnover was being obtained and this, *together* with the general deterioration in trading conditions, is reflected in the results of Alida for its financial year ended the 31st March, 1971 (which nevertheless showed an increase in profits before taxation of 44 per cent. over the previous year) and for the first *six* months of its current financial year. Over the last two months the order intake has increased substantially, as a result of which the additional productive capacity is being utilised more fully and increasing benefits are being obtained from the investment.

Present productive capacity is capable of handling turnover in the region of £2,500,000 per annum. Additional machinery is on order which will increase Alida's capacity still further and existing factory space is sufficient to maintain turnover at a rate substantially above that forecast for the current financial year; in addition, Alida's adjacent freehold land is available for further expansion and there is currently no shortage of labour in the Heanor area.

The following chart shows the growth in Alida's turnover from the date of its incorporation to 30th September, 1971, together with the forecast turnover for the six months to 31st March, 1972.



The above chart (other than the forecast for the six months to 31st March, 1972) is based on the figures contained in the Accountants' Report, from which it will also be seen that Alida's profits before taxation increased from £425 for the 51 weeks ended 31st March, 1966 to £200,789 for the year ended 31st March, 1971. Profits before taxation for the six months ended 30th September, 1971, based on interim audited accounts for that period, were £123,711. In the light of Alida's expanded production capacity and the increased sales being achieved, the Directors are of the opinion that, in the absence of unforeseen circumstances, Alida's profits before taxation for the year ending 31st March, 1972, will be not less than £280,000.

On the basis of the profits forecast above and of corporation tax at 40 per cent., it is the Directors' intention to recommend payment in or about July, 1972, of an ordinary dividend for the year ending 31st March, 1972 of 22 per cent. less tax. On the same levels of profit and corporation tax, the Directors would expect to recommend ordinary dividends in respect of a full year totalling not less than 34 per cent., less tax payable by way of an interim dividend in or about January and a final dividend in or about July.

DIVIDEND YIELD, PRICE EARNINGS RATIO AND COVER

For the purpose of illustration, assuming corporation tax at 40 per cent. and dividends totalling 34 per cent., annual profits before taxation of £280,000 would be appropriated as follows:—

	£
Profits before taxation	280,000
Less: corporation tax at 40 per cent.	112,000
Profits after taxation	168,000
Dividends (gross) of 34 per cent. on £300,000 ordinary share capital would absorb	102,000
Leaving for retention in the business	66,000

On this basis, at the *Offer* price of 84p per share, the gross dividend yield would be 4.05 per cent., the dividend would be covered 1.9 times, and the price earnings ratio would be 15.

ACCOUNTANTS' REPORT

There is set out below a copy of a report received from Peat, Marwick, Mitchell & Co., the Auditors and Reporting Accountants.

The Directors,
Alida Packaging Co. Limited and
Singer & Friedlander Limited. *11th November, 1971.*

Gentlemen,

We have examined for periods relevant to this report the audited accounts of Alida Packaging Co. Limited ("Alida") and of its two subsidiary companies, both of which are wholly owned. Alida and its subsidiaries are hereinafter referred to as "the Group". We report as follows:—

1. **Turnover and Profits** The combined turnover and profits of the Group, arrived at on the basis stated in Note (i) below, were as follows:—

Year ended 31st March (1)	*Combined Turnover* (2) £	*Combined profits before depreciation and taxation* (3) £	*Depreciation* (4) £	*Combined profits before taxation* (5) £
1966 (51 weeks)	61,757	1,434	1,009	425
1967	144,946	19,144	3,803	15,341
1968	267,003	29,011	7,958	21,053
1969	499,304	99,909	13,479	86,433
1970	765,617	168,104	28,614	139,490
1971	1,402,780	240,124	39,335	200,789
9 months ended 30th September, 1971	908,991	150,675	26,964	123,711

Notes:

(i) The combined profits shown in Column (5) above are stated before providing taxation, but after charging all working expenses, depreciation, interest and directors' emoluments and after making such adjustments as we consider appropriate.

(ii) Records relating to the valuation of stocks and work in progress at accounting dates up to and including 31st March, 1969 are not now available although we understand that a physical inventory was undertaken at each accounting date. We have therefore been unable to satisfy ourselves that such stocks and work in progress were valued on consistent bases and we are therefore unable to confirm the allocation of the aggregate profit achieved from the incorporation of Alida on 9th April, 1965 until 31st March, 1970 between the relevant accounting periods. However, the auditors during that period, Messrs. H. W. Denman & Co., Chartered Accountants, have informed us that complete records were available to them and that they were satisfied that stocks were properly taken and valued on a consistent basis.

(iii) Depreciation is not provided on freehold property. Depreciation (calculated with quarterly rests) is provided: (a) on bag-making and printing machines at 20 *per* cent. per annum on cost (*b*) on extruding machines at 12½ per cent. per annum on cost (c) on motor vehicles at 25 per cent. per annum on cost and (*d*) on fixtures *and fittings at rates of 10 per cent. and 5 per cent. per annum on cost. Depreciation shown in column* (4) *above* is stated after deducting transfers from Investment Grants Equalisation Account based on the foregoing rates.

(iv) The emoluments of the directors of Alida amounted to £14,734 in the year ended 31st March, 1971 and £10,217 in the six months ended 30th September, 1971; had the present arrangements been in force the amounts payable would have been £26,000 and £13,000 respectively.

2. **Net Tangible Assets** The following is a statement of the net tangible assets of Alida and of the Group respectively, based on the audited balance sheets at 30th September, 1971 after making such adjustments as we consider appropriate including the proceeds of the issue by Alida of 350,000 Ordinary shares of 10p each at 84p per share and after deducting the estimated expenses of the Offer for Sale.

Alida £	£		The Group £	£
		Fixed Assets		
		Freehold property		
	4,447	at cost	4,447	
	316,500	at valuation (Note (i))	316,500	
320,947				320,947
	408,588	Plant, machinery, fixtures and fittings (at cost) ..	408,588	
	106,741	*Less:* Depreciation	106,741	
301,847				301,847
	38,587	Motor vehicles (at cost)	38,587	
	15,844	*Less:* Depreciation	15,844	
22,743				22,743
645,537				645,537
	12,153	*Less:* Mortgage on one freehold property (Note (ii))	12,153	
	47,555	Hire Purchase commitments (Note (iii))	47,555	
59,708				59,708
585,829				585,829
		Interest in Subsidiaries		
	2,000	Shares at cost	—	
	(44,264)	*Less:* Amount due to subsidiaries	—	
(42,264)				—
543,565				585,829
		Current Assets		
	140,751	Stock and work in progress at lower of cost and net realisable value	140,751	
	480,832	Debtors	480,832	
	305	Cash in hand	305	
	621,888		621,888	
		Current Liabilities		
	403,861	Creditors	403,861	
	15,000	Corporation Tax due 1st January, 1972 ..	56,000	
	211,849	Bank Loan and overdraft (secured)	211,849	
	630,710		671,710	
(8,822)		**Net Current Assets**		(49,822)
534,743				536,007
		Deduct:		
	49,484	Corporation Tax payable 1st January, 1973 (Note (iv))	49,484	
	36,000	Deferred Taxation Account	36,000	
	35,369	Investment Grants Equalisation Account ..	35,369	
120,853				120,853
413,890		**Net Tangible Assets**		415,154
	288,855	*Add:* Proceeds of the issue of 350,000 Ordinary shares of 10p each	288,855	
	45,000	*Less:* Estimated costs of the Offer for Sale ..	45,000	
243,855				243,855
£657,745				£659,009

Notes:

(i) Certain of the freehold properties have been included above at professional valuation made on 23rd August, 1971. No provision has been made for the potential liability in respect of corporation tax which would arise if these properties were realised at such professional valuation or for the liability to repay a proportion of building grants in the event of disposal of the properties before July 1976. The potential liabilities, based on the current corporation tax rate, aggregated £43,681 at 30th September, 1971 but would be reduced to £31,412 by July, 1976 at which date the liability for repayment of building grants would cease.

(ii) The mortgage is repayable by 23rd August, 1974.

(iii) The amount due under hire purchase contracts amounting to £47,555 is exclusive of future interest and comprises £29,899 due before 30th September, 1972 and £17,656 due thereafter. These hire purchase contracts relate to fixed assets having a book value of £119,703 at 30th September, 1971.

(iv) The provision for corporation tax payable on 1st January, 1973 represents tax at 40 per cent. on the profits for the six months to 30th September, 1971 (which will be included for tax purposes in the results for the year to 31st March, 1972).

(v) At 30th September, 1971 there were contracts for capital expenditure amounting to £123,604. No further *expenditure had been authorised by the Directors.*

3. **Dividends** No dividends have been paid by Alida since its incorporation.

4. **Accounts** No audited accounts of Alida or of its subsidiaries have been made up in respect of any period subsequent to 30th September, 1971.

Yours faithfully,
PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants.

STATUTORY AND GENERAL INFORMATION

Offer for Sale

Under Contract (13) below, Singer & Friedlander Limited has agreed, subject to permission to deal in and quotation for the whole of the share capital, issued and now being issued, of Alida being granted by the Council of The Stock Exchange, London not later than 26th November, 1971, (a) to purchase 700,000 fully paid Ordinary shares of 10p each and (b) to subscribe for 350,000 Ordinary shares of 10p each, in each case at a price of 84p per share less a commission of 1½ per cent. The costs, charges *and expenses of and incidental to this Offer for Sale excluding the* commission referred to above but including the preparation, printing, publication and advertising thereof, the increase and subdivision of Alida's share capital and the capitalisation issue referred to below, the revision of the Memorandum of Association and the adoption of new Articles of Association by Alida, the quotation fees payable to The Stock Exchange, London, all legal and accountancy expenses, all capital duties and other miscellaneous expenses and a fee to Singer & Friedlander Limited are estimated to amount to £45,000 in the aggregate and are payable by Alida. Singer & Friedlander Limited are paying an underwriting commission of 1½ per cent. on the price of the shares offered for sale and a fee to the Brokers. The minimum amount which, in the opinion of the Directors, is required for the matters mentioned in Paragraph 4 of the Fourth Schedule to the Companies Act 1948 is nil.

Memorandum and Articles of Association and Share Capital

Alida was incorporated in England on 8th April, 1965 as a private company under the Companies Act 1948 and on 31st January, 1970 had an authorised, issued and fully paid share capital of £50,000 divided into 50,000 Ordinary shares of £1 each; on that day the authorised share capital was increased to £51,000 by the creation of an additional 1,000 Ordinary shares of £1 each which were allotted on 2nd February, 1970 credited as fully paid in consideration of the acquisition of the issued share capital of Alida Extrusions Limited (Contracts (1) to (3) below). On 19th October, 1971 Alida revised its Memorandum of Association. On 11th November, 1971 each Ordinary share of £1 was sub-divided into 10 Ordinary shares of 10p each, the authorised share capital was further increased to £400,000 by the creation of an additional 3,490,000 Ordinary shares of 10p each, 2,140,000 Ordinary shares of 10p each were allotted credited as fully paid to the existing shareholders in proportion to their holdings by way of capitalisation of reserves, including part of the capital reserve arising from the revaluation of Alida's premises referred to above, and Alida adopted new Articles of Association and was converted into a public company; on the same day 350,000 Ordinary shares of 10p each were allotted to nominees of Singer & Friedlander Limited pursuant to Contract (13) below.

Articles of Association

Alida's Articles of Association contain provisions (*inter alia*) to the following effect:—

(i) Every member who is present in person shall have one vote on a show of hands and upon a poll every member present in person or by proxy shall have one vote for every 10p nominal of share capital of which he is the holder.

(ii) The Directors shall be paid out of the funds of the company by way of remuneration for their services such sums as may from time to time be determined by Ordinary Resolution and such remuneration shall be divided among the Directors in such proportion as they may determine or, in default of such determination, equally.

(iii) The Directors shall also be entitled to be paid their reasonable travelling, hotel and other expenses incurred while engaged on the business of the company. Any Director who performs services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration as the Directors may determine.

(iv) The Directors may from time to time appoint one or more of themselves to be Executive Directors for such *period and upon such terms as they may determine*: an Executive Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine, and either in addition to or in lieu of his remuneration as a Director.

(v) A Director may hold any other office or place of profit under the company (except that of Auditor) in conjunction with his office of Director, and may act in a professional capacity for the company, on such terms as to remuneration and otherwise as the Directors shall determine.

(vi) A Director, notwithstanding his interest, may be counted in the quorum present for the purpose of considering the appointment of himself or of any other Director to *hold any office or place of profit* under the company or of arranging the terms of any such appointment, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

(vii) The Directors may exercise all the powers of the company to grant pensions, annuities or other allowances or benefits to Directors or former Directors, employees or ex-employees of the company or any subsidiary or holding company of the company or the dependants of such persons except that in the case of a Director or former Director or the dependants of any such person who has not been an Executive Director or held any other office or place of profit with the company the sanction of an ordinary *resolution must first be obtained.*

(viii) Borrowings of the company and/or (so far as its powers of control can procure) any of its subsidiaries (excluding inter-company borrowings) shall not without the previous sanction of an ordinary resolution exceed twice the aggregate of the issued and paid up share capital of the company and the consolidated capital and revenue reserves (as defined in the Articles of Association and adjusted as therein mentioned) of the company and its subsidiaries.

(ix) The statutory provisions as to an age limit for Directors apply.

Subsidiaries

Alida Extrusions Limited and Alida Engineering Limited were both incorporated in England as private companies under the Companies Acts 1948 to 1967; each has an authorised, issued and fully paid share capital of £1,000 divided into 1,000 Ordinary shares of £1 each.

Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into during the two years preceding the date of this Offer for Sale and are or *may be material*:—

(1)–(3) Dated 31st January, 1970 being transfers covering the whole of the issued share capital of Alida Extrusions Limited executed by Mr. R. H. Morley, Mr. H. A. Coward and Mr. R. Stone respectively as vendors in favour of Alida or its nominee in consideration of the allotment by Alida of a total of 1,000 Ordinary shares of £1 each credited as fully paid, 616 to Mr. R. H. Morley, 332 to Mr. H. A. Coward and 52 to Mr. R. Stone;

(4)–(5) Dated 4th July, 1970 between Heularnatic Limited and Aherlow Estates Limited respectively (1) and Alida (2) being two conveyances to Alida of 236 square yards and 4,624 square yards respectively of land fronting to Heanor Gate Road, Heanor, Derbyshire, at an aggregate price of £10,000;

(6) Dated 26th January, 1971 between S. & W. Beresford Limited (1) and Alida (2) being a conveyance to Alida of land and buildings at Heanor Gate Road, Heanor, Derbyshire, at a price of £60,000;

(7) Dated 15th October, 1971 being a letter whereby Mr. R. H. Morley confirmed to Alida his agreement entered into before 30th September, 1971 to buy from Alida a Piper P.A. 39 Twin Comanche Aircraft at a price of £30,767 payable on or before 26th November, 1971;

(8) Dated 28th October, 1971 between Messrs. R. H. Morley, H. A. Coward and R. Stone as vendors (1) and Alida (2) being a memorandum confirming the terms of a verbal agreement entered into by the parties on

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Industrial training "vicious circle"

TRAINING in British industry is a vicious circle says a survey published to-day. Management is apathetic to training and does not give it a chance to prove its worth—but until it can prove itself scepticism will remain.

This is the view of a cross-section of training officers reported by the Institute of Personnel Management.

Too much paperwork and too little support from top management were the main complaints of the training officers. Also high on the list of snags: Long, irregular hours, interruption of private life and the fear that the training officer is a luxury to be dispensed with as soon as the belt is tightened.

The investigation was sponsored by the Social Science Research Council, and carried out by staff of the Department of Occupational Psychology, Birkbeck College, London University.

The findings of the study, the authors conclude, support their initial impression that, for one reason or another, training officers cannot do their job properly.

The main effect of the Industrial Training Act for training officers has been the increase in administration. It seems he is first an administrator, second a contact man and only third a trainer.

Officers criticised trade unions, particularly for their lack of support in helping to overcome resistance to change. Some commented that management paid no more than lip-service to training.

"There is no evidence that the status of training has been boosted since the Training Act," says the report. "For financial reasons, it may now be discussed in the Boardroom, but the discussion is more likely to centre on how to avoid losing the training levy than on examining the positive, long range contribution that training could make."

The training officer should act as "his own pressure group" to be allowed to do his real job and cut out superfluous routine administrative work, justify training to management on its terms, which usually means financial costing, and press for long-term development and training of training officers.

The Industrial Training Officer—his background and his work. Institute of Personnel Management £1.

"Greater return on capital in footwear"

Financial Times Reporter

THE FOOTWEAR industry tend to generate a greater return on capital than many other industries because of "its more efficient use of capital employed."

That was the conclusion reached by Mr. Philip Birch, managing director of John White Footwear Holdings, after comparing the boot and shoe industry's profit performance with that of industry in general.

He told the annual conference of the British Boot and Shoe Institution at Harrogate on Saturday that the footwear industry came out of the study rather well.

"At the top of the profitability chart there is a good mix of manufacturers and retailers, all earning good return on capital with the majority of companies well above the average for the top 1,000 companies in the U.K.," he said.

ROYDS LONDON AGENCY

Royds London has been appointed to handle advertising for the convenience foods division of the Robertson Foods Group. The account is worth about £200,000.

Products involved are Viota Robertson's Christmas puddings and mincemeat, and the James Robertson range of canned vegetables and pie fillings.

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Intnl. Caravan and Camping Show (cl. Nov. 20)	Earls Court
Current	Intnl. Domestic and Coml. Textiles Ex. (cl. Nov. 18)	Mnt. Royal & Mostyn Htls., W.
To-day	Leisure and Outdoor Furniture Ex. (cl. Nov. 17)	Royal Lancaster Hotel, W.
To-day	National Low Cost Automation Ex. (cl. Nov. 19)	Belle Vue, Manchester
Nov. 16—18	Italian Fabrics Exhibition	Italian Trade Centre
Nov. 18—27	International Building Exhibition	Olympia
Nov. 21—24	Camping Trade Exhibition	Exhibition Centre, Harrogate
Nov. 23—25	Scottish Electronics Exhibition	Waverley Market, Edinburgh
Nov. 28—Dec. 2	Wholesale Buyers' Gift Fair	Mount Royal Hotel, W
Nov. 30—Dec. 2	Fabrics from France Exhibition	Europa Hotel, W.
Dec. 6—10	Royal Smithfield Show	Earls Court
Dec. 6—10	Testing Equipment Exhibition	U.S. Trade Center, S.W.
Dec. 9—15	National Careers Exhibition and Conference	Olympia
Dec. 10—11	Stamp and Coin Fair	Cutlers Hall, Sheffield
Dec. 10—12	Dental Trade Fair	Old Hortic. Hall
Dec. 12—19	Ideal Home Exhibition	Guildhall, Londonderry

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	International Book Fair (cl. Nov. 17)	Belgrade
Current	International Bathroom Show (cl. Nov. 21)	Stockholm
Current	Anti-Pollution Exhibition (cl. Nov. 19)	Milan
To-day	National Business Show (cl. Nov. 18)	Montreal
Nov. 16—25	British Agricultural and Food Processing Exbn.	Tel Aviv
Nov. 17—23	Communal Catering Exhibition	Basle
Nov. 18—28	International Building Exhibition	Paris
Nov. 20—28	International Cycle and Motor Cycle Exhibition	Milan
Nov. 22—27	International Machine Tool Exhibition	Zagreb, Yugoslavia
Nov. 23—26	International Clothing Textiles Exhibition	Frankfurt
Nov. 29—Dec. 4	Hydraulics & Compressed Air Exhibition	Paris
Nov. 30—Dec. 3	Intnl. Exhibition of Computer Systems	Munich
Dec. 4—12	Do-It-Yourself Fair	Brussels
Dec. 6—11	Physical Society Exhibition	Paris
Dec. 16—29	New Year's Fair	Zagreb, Yugoslavia

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
Current	Engineers' House: Basic Work Data (cl. Nov. 19)	Clifton Down, Bristol
Nov. 16	Nat. Inst. Ind. Psychology: "Man at Work"	Congress House, W.C.1.
Nov. 16—17	MCL: Stock Control and Reduction	Prince of Wales Hotel, W.
Nov. 17	London Chamber Commerce: Office Environment	Elizabeth Suite, E.C.
Nov. 17—20	Strategic Management: Integrated Marketing	Royal Bath Hotel, Bournemth.
Nov. 18	Inst. Chart. Secs. and PERA: Going Public	Melton Mowbray
Nov. 18—19	Andry Montgomery: The Existing City	Olympia
Nov. 19—21	Bristol University: Buildings for Agriculture	Tyndall Park Rd., Bristol
Nov. 22—26	Harry Mitchell: Incentives Course	Beeston, Nottingham
Nov. 23	Fin. Techniques: Managing the Smaller Company	Brown's Hotel, W.
Nov. 23	Davies & Robson: Transport & Distribution	Charing Cross Hotel, W.C.
Nov. 24	BSC: The Industrial Relations Act and After	Royal Lancaster Hotel, W.
Nov. 24	Planned Action: EEC Industrial Integration	St. Ermyn's Hotel, S.W.
Nov. 24—25	Investors Chronicle-Financial Times: Unit Linked Investment and the Public	Inn on the Park, W.
Nov. 24—25	Guardian Business Servs.: Decision Techniques	Challoner Club, S.W.
Nov. 24—26	Clark Johnston: Managing Computer Staff	Kenilworth Hotel,
Nov. 25—26	Ed. for Bns. and Ind.: Management Controls	Rembrandt Hotel, S.W.
Nov. 28—Dec. 2	Wales Intnl. Mngt.: Managing Corp. Finance	Angel Hotel, Cardiff
Nov. 29—30	School of Bus. Admin.: Presentation of Accounts	Coburg Hotel, W.
Nov. 29—30	InComTec: Statistics for Personnel Mngt.	Berners Hotel, W.
Nov. 29—Dec. 2	Cooper Bros.: Financial Planning	Shelley House, E.C.
Dec. 5—10	Kepner-Tregoe: Problem Solving	Lygon Arms Htl., Broadway
Dec. 6	Management Training: Industrial Relations	St. Nicholas Circle, Leicester
Dec. 6	Guardian Bus. Servs., Negotiating with Unions	Brown's Hotel, W.
Dec. 6—7	Prof. Mngt. Group: The Secretary's Role	Victoria House, W.C.1.
Dec. 6—7	Assoc. Business Progs: VAT in the U.K.	Grosvenor House, E.C.
Dec. 6—10	P-E Consulting Grp.: Research and Development	Egham, Surrey
Dec. 7—9	Danbury Park Mngt.: Industrial Relations Act	Mid-Essex Tech.
Dec. 8	James Morrell: Value Added Tax	Hilton Hotel, W.
Dec. 8	Financial Times: The City and Europe	Royal Lancaster Hotel, W.
Dec. 9	Small Business Centre: Production Control	Bristol Polytechnic
Dec. 9	Mngt. Studies Centre: Production Control	Piccadilly Hotel, W.
Dec. 9—10	IPM: Senior Secretary in Personnel Mngt.	Whites Hotel, W.
Dec. 9—10	Mktg. Improvements: The Marketing Function	Portman Hotel, W.
Dec. 13—17	NCB Computer Power: Operations Management	Cannock, Staffs.
Dec. 13—17	Dunchurch College: Finance for the Non-fin mngr.	Dunchurch, Rugby
Dec. 14	Industrial Society: Management by Objectives	Royal, Turks Head, Newcastle
Dec. 14—16	BACIE: Trends in Training	Grand Hotel, Eastbourne

A guide for exhibitors

DESIGNED primarily for those without detailed knowledge of the exhibition world, a "Guide for Exhibitors" is now available from the Incorporated Society of British Advertisers. It is an updated edition and costs £1 per copy.

It does not attempt to lay down hard-and-fast rules but highlights some important points to consider. There is a section dealing with budgeting for such events which also discusses the specific elements that build up the cost. There is also advice on getting the job done which covers the question of stand design, contracts and construction.

Two appendices can be used as check lists for preparation and analysing results from exhibiting. And there is also a list of publications devoted to exhibitions.

Merger in Italy

TWO of Italy's most important fashion trade fairs are to be merged next year. "Moda Selezione," which in the past has been limited to a selected number of top quality manufacturers, will now be run with SAMIA, at present Italy's largest ready-to-wear show.

The first of the joint fairs will take place in Turin from February 4-7, 1972. The second will be in September and show the spring-summer 1973 collections.

The decision to merge the two fairs is aimed at simplifying life for foreign buyers who previously had to make four trips to Italy each year in order to see the full range of manufacturers.

Travel trade fair

AS A RESULT of the first Abtafair—the exhibition held at the same time as the Association of British Travel Agents' convention at Cannes, France—in October, a full-scale event is being planned for next year when the venue will be Vienna.

Last month's show was something of a pilot scheme. It occupied 3,000 square feet in rooms surrounding a central area next to the conference room at the Palais des Festivals. There were 12 exhibitors.

COMPANY NOTICES

INTERSTATE OIL LIMITED

(Incorporated in Victoria, Australia)

In the Supreme Court of Victoria—1971 No. Co. 8195. In the Matter of the Companies Act 1961, and in the Matter of INTERSTATE OIL LIMITED.

NOTICE is hereby given that by Order made on the 4th day of October, 1971, the Supreme Court of Victoria confirmed the special resolution passed by an Extraordinary General Meeting of the above company held on the 28th day of July 1971, in the following terms:—

"That the capital of the Company be reduced from $9,100,000 divided into 18,200,000 shares of 50 cents each to $2,275,000 divided into 18,200,000 shares of 12½ cents each and that such reduction be effected by cancelling paid up capital to the extent of 37½ cents upon each of the 18,200,000 issued shares of 50 cents each and reducing the nominal amount of each of such shares to 12½ cents."

and the said Court declared that the capital of the said Company as altered by the said resolution and confirmed by the said Order and as further altered by ordinary resolutions of the said Company passed the said 28th day of July, 1971, in the following words and figures, that is to say:—

"That forthwith upon the reduction of capital resolved upon by this meeting taking effect the 18,200,000 shares of 12½ cents each in the capital of the Company be consolidated and divided into 4,550,000 shares of 50 cents each."

"That forthwith upon the reduction of capital resolved upon by this meeting taking effect the capital of the Company be increased from $2,275,000 to $4,550,000 by the creation of 4,550,000 new shares of 50 cents each."

is $4,550,000 divided into 9,100,000 shares of 50 cents each of which 4,550,000 shares and no more have been issued and are fully paid up.

NOTICE is further given that the said Order has been registered with the Registrar of Companies in Victoria.

K. J. HOARE,
Secretary.

95 Collins Street,
Melbourne, Australia.
4th November, 1971.

RAND MINES HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

PRELIMINARY STATEMENT OF PROFIT FOR THE NINE-MONTH FINANCIAL PERIOD ENDED 30TH SEPTEMBER, 1971

CHANGE OF FINANCIAL YEAR END

On 28th June, 1971, the company's holding company, Rand Mines, Limited, became a wholly-owned subsidiary of Barlow Rand Limited whose financial year ends on 30th September. Rand Mines Holdings Limited thus became a subsidiary of Barlow Rand Limited and the financial year end of the company has consequently been changed to 30th September. The next director's report and accounts will therefore deal with the affairs of the company for the nine months from 1st January to 30th September, 1971, and will be issued during December, 1971.

FINANCIAL RESULTS

The audited results of the company for the nine months ended 30th September, 1971, are shown below compared with the results for the year ended 31st December, 1970.

	9 months ended 30th September, 1971 R thousand	9 months ended 30th September, 1971 cents per share	12 months ended 31st December, 1970 R thousand	12 months ended 31st December, 1970 cents per share
Dividend and other income less expenses	731	3.32	1 049	4.78
Investment realisation	291	1.32	(49)	(0.22)
	1 022	4.64	1 000	4.54
Less: Taxation	99	0.45	2	0.01
Net Profit	923	4.19	998	4.53

Number of shares in issue: 22 033 004 shares.

DIVIDENDS

Due to the change in the Company's financial year end, dividend declarations will in future be made in November and May so as to coincide with the dividend declaration dates of Barlow Rand Limited.

DIVIDEND DECLARATION

Dividend No. 8 of 2.5 cents per share, absorbing £551 000, has been declared payable to shareholders registered in the books of the company at the close of business on 17th December, 1971. This dividend, together with the dividend declared in June, 1971, makes a total distribution in respect of the financial period ended 30th September, 1971, of 4.75 cents per share (1970: 4 cents). The increase of a quarter of a cent over the distribution foreseen in the chairman's statement in April, 1971, has been made to minimise the incidence of tax and should therefore be considered a bonus distribution. Due to the change in the company's financial year end and to the fact that income from investments does not accrue evenly throughout the year, the earnings for the nine months to 30th September are insufficient by themselves to cover the declaration of these dividends. It has therefore been necessary, on this occasion, to utilise retained earnings to the extent of R124 000 to cover the declaration of Dividend No. 8.

By Order of the Board.

For and on behalf of
CHARTER CONSOLIDATED LIMITED, London Secretaries.
E. BURROWS.

Office of the London Secretaries:
40, Holborn Viaduct, EC1P 1AJ.
Share transfer office of the London Secretaries:
Kent House,
Station Road,
Ashford, Kent.
12th November, 1971.

RAND MINES HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 8

NOTICE IS HEREBY GIVEN that dividend No. 8 of 2.5 cents per share, absorbing R551 000, has been declared payable to shareholders registered in the books of the company at the close of business on 17th December, 1971.

The dividend is declared in South African currency and the rate of exchange at which the dividend will be converted into United Kingdom currency for payment of dividends from the office of the London secretaries will be the telegraphic transfer rate of exchange between Johannesburg and London ruling on the first business day after 12th January, 1972.

On 27th January, 1972 warrants will be despatched by the share transfer office of the London secretaries to addresses in Europe and cheques from the share transfer office in Johannesburg to addresses elsewhere. Unless instructions which will necessitate an alteration in the office from which payment is to be made are accepted by the company on or before 17th December, 1971, payment will be made in accordance with existing instructions. Any request by shareholders for a change in the office of payment from within to outside the Republic will require the approval of the South African Exchange Control Authorities. Other changes of instructions to apply to this dividend must be received by the company not later than 12th January, 1972.

In terms of the South African Income Tax Act, 1962, as amended, a Non-Resident Shareholders' Tax of 15% has been imposed on dividends payable to:

(a) Persons other than companies, not ordinarily resident nor carrying on business in South Africa.

(b) Companies not registered nor carrying on business in South Africa.

The company will accordingly deduct the tax from dividends payable to shareholders whose addresses in the share register are outside South Africa at the date on which the books are closed for purposes of the dividend.

The register of members of the company will be CLOSED from the 18th December, 1971 to 2nd January, 1972, both days inclusive.

By Order of the Board.

For and on behalf of
CHARTER CONSOLIDATED LIMITED.
London Secretaries.
E. Burrows.

Office of the London Secretaries:
40, Holborn Viaduct,
EC1P 1AJ.
Share transfer office of the London Secretaries:
Kent House,
Station Road,
Ashford, Kent.
12th November, 1971.

BROWN BROTHERS & ALBANY LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of the 6½% Convertible Unsecured Loan Stock 1990/95 will be CLOSED on 6th and 7th December, 1971, for the purpose of preparing interest warrants.

By Order of the Board.
F. G. BLOCK, Secretary.

Browns Buildings,
Great Eastern Street,
London, E.C.2.

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

Interest Due		Stock	Closing Price £	When last xd	Gr'ss Y'ld pc Interest £	Gr'ss Y'ld pc Redemption £
		"Shorts" (Lives up to Five years)				
15F.	15A.	Conv. 5pc 1972	100⅝	9.7	5.97	4.21
1F.	3A.	Gas 4pc 69-72	22⅝	2.7	4.02	4.64
8F.	3A.	Exchequer 6½pc 1972	101⅛	2.7	6.17	4.58
15J.	15J.	Exchequer 6¾pc 1973	102⅛	5.6	5.67	4.53
1A.	1O.	Electric 3pc '68-73	98¼	25.8	3.05	4.31
1A.	1O.	Transport 3pc '68-73	88¼	25.8	6.05	4.31
10J.	10D.	Treas. 5¼% 1973	100⅝ xd	—	5.22	4.83
15J.	15D.	Conv. 5¼pc 1974	100½ xd	8.11	2.24	5.16
10M.	10S.	Treas. 6¾% 1974	100⅝	—	6.46	5.17
11J.	11D.	Treasury 6¾pc 1974	104⅛ xd	4.11	6.50	6.34
15F.	15A.	Treasury 6pc 1975	101¼	8.7	6.93	6.56
—		Savings 3pc 65-75	93⅛	—	3.22	5.04
1M.	1S.	Exch. 6½pc 1976	102⅛	28.7	6.37	6.91
15F.	15A.	Treasury 6½pc 1976	102¼	8.7	6.36	6.87
1M.	1S.	Victory 4pc 1976	97⅛	28.7	4.11	6.14
		Five to Fifteen Years				
5M.	1N.	Funding 4pc '60-90	97¾	27.8	4.10	6.05
10M.	10S.	Treas. 6¼% 1977	102¼	—	6.18	8.98
15M.	15S.	*Electric 3pc 1974-77*	91	8.8	3.31	5.06
20J.	20O.	Transport 4pc '72-77	96	14.5	4.32	5.69
26M.	26S.	Exchequer 5pc '76-78	94⅛	20.8	5.32	6.07
26M.	26S.	Electric 4¼pc '-74.79	82⅞	20.8	4.76	8.97
15M.	15N.	Do. 3½pc '76-79	86¼	11.10	4.08	6.74
15J.	15O.	Treasury 3½pc '77-80	84⅝ xd	2.11	4.12	6.76
15J.	15P.	Funding 5¼pc '78-80	22⅝ xd	8.11	3.64	8.31
15F.	15A.	Treasury 3½pc '79-81	83⅞	6.7	4.22	6.91
15J.	15J.	Do. 8¼pc '80-82	109⅝	8.6	7.86	7.37
15J.	15J.	Funding 5¼pc '82-84	82¼	6.5	6.08	6.66
10J.	10J.	Treasury 8¼pc '84-86	108¼	5.[illegible]	8.07	7.83
		Over Fifteen Years				
1M.	1N.	Funding 6½pc '85-87	90½	27.8	7.20	7.38
1J.	1J.	Transport 3pc '78-88	64⅝	25.5	4.72	6.68
15A.	15O.	Treasury 5pc '86-89	76¾	5.8	6.65	7.40
—		Treasury 8½pc '87-90	100⅛ xd	—	8.17	8.13
5A.	5O.	Funding 5½pc '87-91	81⅝	1.8	7.10	7.68
15M.	15S.	Funding 6pc 1993	80¾	5.8	7.32	7.27
17M.	17N.	Treasury 9pc '94	105¾	11.10	8.50	8.42
1M.	1N.	Gas 3pc '90-95	33½	27.9	6.41	6.85
15M.	15S.	Treasury 9pc '92-6	106⅛	8.8	8.57	8.48
1A.	1D.	Redp 3pc '86-96	35½	26.8	5.34	5.32
1M.	1S.	Treasury 8¾pc 1997	104¾	26.7	8.50	8.46
—	—	Treas 8¾pc 1997 "A"	105¾	—	8.61	8.47
1M.	1N.	Treasury 6¾pc '95-98	24⅝	27.8	8.02	8.22
14J.	14J.	Funding 3½pc '99-04	52½	7.6	6.82	7.32
—	—	*Treas. 8pc '02-6*●	96⅛	—	8.37	8.39
10M.	10S.	Treasury 5½pc '08-12	59⅛	4.8	8.03	8.17
		Undated				
1F.	1A.	Consols 4pc	47¾	25.8	8.58	—
1J.	1D.	War Loan 3½pc	41⅝ xd	25.10	8.45	—
1A.	1D.	Conv. 3½pc '61 Aft.	41⅞	25.8	8.44	—
5A.	5O.	Treasury 3pc '66 Aft.	36¼	1.9	8.39	—
5J.A.	J.O.	Consols 2½pc	29½	1.9	8.33	—
1A.	1O.	Treasury 2½pc	28½	25.8	8.66	—

● "Tapstock"

INTERNATIONAL BANK

15A.	15O.	5½pc Stock '69-74	94¾	17.8	3.62	5.47
15F.	15A.	5pc Stock '77-82	82⅛	16.7	8.16	7.59
31J.	31J.	8pc Stock 1976	104	—	7.69	6.98

CORPORATION LOANS

4M.	4N.	Belfast 6pc '73-75	90¼	1.10	6.65	9.39
1F.	1A.	Bristol 6½pc '75-77	97¾	18.7	6.78	7.48
30J.	31D.	Essex 5¼pc '76-77	23⅝	1.8	3.05	7.43
11F.	11A.	G.L.C. 6¾pc 1976	88⅝	12.7	6.82	7.13
15A.	15F.	Do. 7¼pc 1977	101⅝	16.7	7.25	7.30
22M.	22N.	Herts 6½pc '78-80	83⅝ xd	22.10	6.28	7.92
21M.	15S.	Liv'pool 5¼pc '71-75	94¼	18.8	5.80	7.09
15M.	15N.	Do. 9¾pc '80-84	108¼ xd	15.10	8.93	8.30
1J.A.J.O.		Do. 3½pc Irred.	40⅛	1.8	9.06	—
15J.	15D.	Lon Corp 6¼pc '71-72	100½	17.5	6.22	8.42
10F.	10A.	Do. 6½pc '75-76	95⅞	12.7	6.91	7.33
15M.	15N.	L.C.C. 6¼pc '71-72	101 xd	15.10	6.44	5.68
21M.	21N.	Do. 6pc 1972	100⅜	21.10	6.88	5.06

BUILDING INDUSTRY—Continued

Dividends Usually Paid		Stock	Closing Price p	When last xd	Div. % or amount	Times covered	Gross yield pc	P/E Ratio
Mar.	Sept.	Jarvis (J)	106	8.9	30	1.6	7.1	8.6
Jan.	July	Jenkins (T) 10p	43½	26.6	d 17	1.9	3.9	13.8
Mar.	Oct.	Jenn'ngs $A0.50	81	—	[illegible]	3.6	2.9	2.6
Dec.	July	J'hns'n Ricd 50p	406	4.10	d 18	2.8	2.3	16.1
	July	Jones Edwd 10p	32	28.5	27½	1.2	8.6	8.8
Jan.	Aug.	Kelz'rV'nsts 20p	52	12.7	15	1.1	5.8	18.3
Nov.	May	Kentast 10p	20	19.4	d 7½	1.1	5.7	24.8
November		Kennedys'	146	4.10	622½	1.9	6.8	13.3

DRAPERY AND STORES—Continued

Interest Due		Stock	Closing Price p	When last xd	Div. % or amount	Times covered	Gross yield pc	P/E Ratio
Feb.	Aug.	Perkins (D)	144	28.8	20½	1.8	3.6	17.6
May	Nov.	Peters (J.) Furn.	124 xc	23.8	12	2.1	3.8	14.7
Jan.	July	Plushpile 10p	20	12.7	18	1.9	8.8	6.6
Dec.	July	Polly Peck 10p	32	14.5	d 27½	1.6	8.6	7.8
Jan.	Sept.	Preedy (Alfred)	60	26.7	16½	1.1	6.9	13.8
July	Jan.	QueensSt. W. 10p	16	8'66	B—	—	—	—
Apr.	Oct.	Ramar Text 5p	7	12.2	10	0.7	7.1	12.2
Mar.	Sept.	Ratners 10p	66	20.7	d 30	1.5	5.7	11.6
Mar.	Dec.	Raybeck 10p	100 xd	1.11	d 36	3.2	4.2	13.1

INDUSTRIALS (Miscell.)—Continued

INSURANCE

PROPERTY—Continued

TEXTILES—WOOL

TRUSTS, FINANCE, LAND—Continued

TEAS—Continued
India and Pakistan (cont.)

Ceylon

Africa

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

Dividends Paid		Stock	Price	Last xd	Div.	Cover	Yld.
Dec.	July	St. Piran	43	28.5	‡20	1.4	:

COPPER

Dividends Paid		Stock	Price	Last xd	Div.	Cover	Yld.
Mar.	Dec.	Esperanza 12½p	68	20.7	40	1.9	7.4
	July	Indian 10p	11	3.5	11.1	3.0	10.1
June	Jan.	Messina (R0.50)	180	17.8	;90	2.0	:

MISCELLANEOUS

Dividends Paid		Stock	Price	Last xd	Div.	Cover	Yld.
—		Burma Mine 17½p	6¾	4'61	—	—	—
Apr.	Oct.	Cent. Prov. Mn. 12½p	25½	4.10	a12	ϕ	10.0
—		Charterhall 5p	8	5'67	—	—	—
Aug.	Feb.	Cons. Murch 10c.	165	28.6	;80c.	8.1	:
Sept.	Mar.	G. F. Mg. Ind. Db.	£83½	22.5	7	40.7	9.4
July	Dec.	Northgate (C$1)	616	25.6	;60c	2.2	:
Jun.	Dec.	R.T.Z.	185	4.10	24	1.8	5.2
—		Sabina Inds. (C$1)	50	50.4	—	—	—

For Notes, see Page 31

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RUBBERS—MALAYSIAN

RUBBERS—MISCELLANEOUS

SISAL

TEAS
India and Pakistan

Lombard

"£ in the pocket"—a Tory version

BY C. GORDON TETHER

A SPEAKER at last month's Tory Party conference struck a disharmonious note by seeing a connection between Mr. Heath's undertaking not to take Britain into the European Community without the full-hearted support of the people and Mr. Wilson's assurance that the 1967 devaluation would not reduce the value of the £ in the pocket.

Another way in which the Government seems to be running a serious risk of creating such a rod for its own back is by continually proclaiming that Britain is on the brink of a great surge forward which will set living standards rising at a faster pace than ever before and simultaneously dispose of the unemployment bugbear. For, with the international economic environment changing at the pace it has been of late, such predictions could easily be completely falsified.

The Tory Party's potential "£ in the pocket" *crystal-gazing* has taken two main forms. The first hinges on the proposition that the liberalising effect of the new strategies the Government has been developing since it came to power 17 months ago will be *such as to* banish the blight from which the nation's economic life has suffered during the past 10 years.

The signs

The signs are, declared the Chancellor of the Exchequer in a recent major speech, that the economy is now moving into a sustained period of growth at a rate considerably higher than for a good many years.

The other way in which the Tory Party has been giving assurances to the public that it could eventually come to regret as deeply as the Labour Party has the "£ in the pocket" one is concerned with entry into the EEC. *Britain was standing* "on the threshhold of a period of growth and prosperity unparalleled since the war," said the Prime Minister in giving the Tory Party conference a preview of the "new Britain" that would be emerging *from fusion* with the EEC. And Tory pro-Marketeers have been feverishly handing out similar promises by the dozen at meetings all over the country.

Night and day

Higher living standards, more generous social service payments, longer holidays, shorter working hours, less unemployment and any other amelioration of the British way of life you could think up—all, the public has been encouraged to believe, would flow from entry into the Common Market with the same certainty as night follows day.

Taking the shorter-term aspect of the Tories' current "prosperity is just around the corner" theme first, it is a fact that many countries besides our own have discovered that economic horses are nowadays apt to display a most inconvenient disinclination to drink even when they are brought extremely *close to* the water. And one would have thought that this pointed to the need for most cautious prognostication about the effects of the Government's new strategies even before taking account of the changing character of the world economic climate.

Surely it would have been equally wise to refrain in any case from overdoing the benefits to be reaped from entry into the EEC just in case the anti-Marketeers contention that the net effect on *Britain's economic* life would be adverse turned out to be right.

Confidence

The deterioration in the world economic climate *and* the unhappy implications this has for an EEC expansion movement that was already showing signs of losing momentum in more than a passing sense have made it even more important to soft-pedal Britain's prospective EEC harvest.

Indeed the Government must itself be aware of this. For at the same time as Mr. Barber was speaking in London of the forthcoming British boom as though it was as near a certainty as makes *no difference*, Mr. Rippon was warning a German audience that the world faced a real danger of economic recession.

Since it is so difficult to get economic expansion under way without inducing the business community that to have confidence, one must expect Governments to err on the bright side when presenting their views of the future. But to encourage hopes that are manifestly liable to prove false, is apt to be counter-productive. The Tories should now do some hard thinking about where the balance can most realistically be struck.

THE LEX COLUMN

Options in corporation tax reform

The Government's proposal for a corporation tax reform aimed at equalising the tax burden on distributed and retained income appears to have been universally welcome to industry. But the only published data as to the Government's specific proposals, the Green Paper, left industry with preoccupations on at least three scores. The first was the way a two-rate system was presented as being *preferred* to an "imputation" system; the second was the absence of any special measures for the group with largely overseas income; and the third was the proposal that intergroup dividends would have to *be* treated on a net of tax basis.

Official thinking

There are now reasons for thinking not only that the Government's mind is more open on these three issues, but that it is if anything positively inclined to reverse its original stance, in particular on the third proposal. The reasons emerged in a seminar on tax reform last week, at which the Financial Secretary to the Treasury was a speaker. Though the two-rate *system was judged* administratively simpler at home, some of the considerations which had led the West German Government actually to switch from its two-rate to an imputation system next year had caused the *Government* here to feel the latter might be "equally acceptable."

The international considerations are not in themselves overwhelming. The international tax expert J. van Hoorn, recalling the Van den Temple report's recommendation of the classical double tax system (in 1970) and the rejection of proposed tax changes by both Dutch and Italian Parliaments, argued that total tax harmonisation was neither necessary nor likely within the EEC. Equally, the Financial Times tax correspondent John Chown, who has estimated the cost to the U.K. of a two rate system at £30-60m. a year in foreign exchange, defended the imputation system as much as a bargaining posture as a cost saver, pointing to the way the French have generally extended their *avoir fiscal* to embrace foreigners.

Industrial plea

But an unequivocal case for the imputation system was pleaded, by the head of taxation at Shell, on two relatively intangible grounds. The first concerned the need for certainty over taxation in corporate planning: the problem with a two rate tax system is that where taxation depends on distribution, the actual cash return of an investment project will depend on a future and unknown dividend policy. Shareholder and company tax can be lumped together in a macro-economic framework but not for corporate cash flow purposes. The second point was that a two-tier rate has the visible effect of increasing apparent earnings on a higher payout, and this could arguably encourage distribution rather than produce the neutral effect the Government apparently desired.

Now a moment's thought shows that a spokesman for one of the U.K. major oil companies is not necessarily unbiased over the choice of systems. Since BP and Shell totally lack any U.K. corporation tax charge, they can only hope for special dispensations under either of the proposed schemes. But the point is that it is very difficult to see how *any special* treatment could be accorded such companies under a two-rate tax system.

This is where the predominantly overseas earners can take heart from Mr. Patrick Jenkins' words, for in addition to dispelling any apprehensions about a change to net intergroup dividends, he made it clear that the Government is anxious to avoid any change which would produce a bias against the big invisible earners. Since it had already been made apparent in the Green Paper that the full amount of any U.K. tax charge would be available for dividend relief, this new hint could be evidence of a pragmatic approach, whereas the strict logic of the French system, with its *précompte*, excludes any kind of relief for domestic tax which has not been paid.

On balance therefore, it would be a reasonable bet at this stage that the system to be chosen will be imputation rather than a two rate tax on the one hand, and on the other that there will be some special dividend relief for the predominantly overseas earners. The bet is only attractive if the odds are favourable, and from the stock market angle the potential areas of interest are the oils, and the like of BAT and Coats Patons and, as has been noted here before, the preference sector.

Discounting at work

Now in the case of preference shares, the stock market in its wisdom has already been doing some work at discounting the probabilities, so that by Wednesday the yield on the Burmah 8 per cent. issue for example was down to 8.3 per cent. (as against 9.1 per cent. for that company's 8½ per cent. Loan stock 1991/96). The fall in the price of the issue since then must presumably be the reflection of a rather special technical position to judge by the unchanged 8.3 per cent. yield on ICI's 5½ per cent. counter.

The conclusion here could be, then, that the gamble has gone far enough for the present. As to the overseas earners, every one cited above has underperformed the market over the past three months, but in no case can one say for certain, least of all for the oils and BAT, that the threat of a corporation tax change is a prime factor. *The insurance* sector, meanwhile, seems unlikely to be much touched either way for the moment, since a U.K. underwriting recovery should give most of the groups an adequate U.K. tax liability. This leaves one speculating whether the recovering gold sector (and perhaps the still buoyant overseas plantations groups) will find the prospective net dividend yield to U.K. investors an inhibiting factor. To the extent that the markets are made in London this would logically be so.

Commons statement on Compton report to-morrow

BY PHILIP RAWSTORNE

WITH further strains likely to be imposed on the *Government's* Ulster policy to-morrow by the report of the Compton inquiry, Mr. Harold Wilson to-day begins a five-day visit to Northern Ireland and Eire in the continuing search for a new way out of the crisis.

Sir Edmund Compton's long and detailed report, it is understood, will clear the Ulster security forces of general charges of brutality against detainees. But the inquiry's findings about the treatment of some individuals are expected to arouse enough disquiet to afford more scope for critics of the interment policy.

Sir Edmund Compton

Policy success

Mr. Reginald Maudling, the Home Secretary, is expected to make a Commons statement on the report to-morrow. He may defend some of the tough action taken by the security forces by stressing the "near-war" conditions in Ulster and by pointing to recent successes the Government's *policy* has won *against* the IRA.

But the Government is unlikely to avoid embarrassment from the use that will be made of the report in the Ulster propaganda war.

It could for instance make the co-operation of Mr. Jack Lynch, the Republic of Ireland Prime Minister, with the British Government more difficult. It was denied in Whitehall yesterday that there had been any rupture in relations between the two Governments in recent weeks and it was emphasised that plans for another meeting between Mr. Lynch and Mr. Heath—expected before the end of the year—were unchanged.

The inquiry's results should certainly provide new incentive to both Government and Opposition at Westminster to find a fresh approach to the problems of Northern Ireland.

Mr. Wilson, already well-briefed by the three governments and other parties involved, goes to Belfast to-day for a further round of talks that will include leading churchmen and others of influence outside the political groups.

He will go from Belfast to Dublin later in the week for discussions with Mr. Lynch and other Irish politicians before returning to London on Friday.

Callaghan report

The Leader of the Opposition was given a report by Mr. James Callaghan at the week-end on his visit to Ulster last week for talks with Irish Labour leaders.

Nothing that emerged at that meeting appears to have increased the optimism about a breakthrough. But Labour leaders hope to formulate at least the tentative foundations of a new policy in time for the Commons debate on Northern Ireland next week.

Wilson starts visit today

BY JOHN GRAHAM

BELFAST, Nov. 14.

THE Northern Ireland Government and the Protestant community regard Mr. Wilson's visit here—starting to-day—as the most important political event for a long time. There is certainly the possibility of large-scale protest.

The details of his visit have still not been announced, and there will be thorough security precautions so long as he is here. He will see Mr. Brian Faulkner, the Prime Minister, as well as elected representatives of the Catholic community.

Paisley call

The more militant Protestants are incensed at his visit. The Rev. Ian Paisley has called for an upsurge of Protestant feeling, the like of which has never been seen before in Northern Ireland.

Mr. Paisley said that he was not suggesting anybody should break the law, but he wanted Protestants to show that they detest Mr. Wilson's policies and will not have them.

Mr. Wilson is identified completely with the abolition of the "B" Specials and the disarming of the police. Both of these are still bitterly resented by the majority here even though the police are now being steadily rearmed.

There is little doubt that this week will be of cardinal political importance. There is not only a good deal of anxiety and resentment over Mr. Wilson, but also some apprehension at the publication of the Compton report. Almost everyone seems *to know* in advance that the report will not be entirely favourable to the British Army.

Recognising the delicate state of public opinion at the moment, Mr. Faulkner banned all Remembrance Day parades to-day. Similarly, a trade union demonstration against unemployment in Northern Ireland was also cancelled.

There was a meeting of members of the trade union movement, addressed by *Mr.* Vic Feather, general secretary of the TUC, who voiced the general concern about the unemployment rate in this province, which is far higher than anywhere else in the U.K.

BBC office in New Delhi may reopen

NEW DELHI, Nov. 14.

THE BBC is likely to be allowed by the Indian Government to re-open its office in New Delhi.

Mr. Oliver Whitley, managing director of the corporation's external broadcasting, is here to hold talks on the office which was closed about a year ago when Louis Malles films on India were televised in Britain despite protests by the Indian Government.

The Government's attitude has been influenced by the BBC's reporting of events in Pakistan, and Mrs. Indira Gandhi, the Prime Minister, made the unusual gesture *of allowing* herself to be interviewed by its representative.

Bid to censure Houghton fails

A BID by critics in his Sowerby constituency to censure Mr. Douglas Houghton, chairman of the Parliamentary Labour Party, was defeated at a three-hour week-end meeting of the executive committee of the Divisional Labour Party.

Representatives of Todmorden Trades and Labour Council moved a resolution condemning MPs who broke the discipline of the parliamentary party.

It also recommended that Mr. Houghton resign as MP by applying for the Chiltern Hundreds.

But the meeting decided by 18 votes to three to accept Mr. Houghton's explanation of why he voted for Market entry. No further action is to be taken by his local executive.

Tough pay stand likely by engineer employers

By Alex Hendry

ENGINEERING employers are expected to take a tough line to-morrow when they reply to the *unions' demand* for an extra £700m. a year to swell their members' pay packets.

The unions want an across-the-board increase, improved minimum rates, longer holidays, *equal pay*, and a *shorter working* week.

They are likely to be offered a *small* improvement in minimum rates with nothing across the board and an implacable defence of the existing 40-hour week.

This increases the possibility, as reported in the Financial Times last week, that the gap between the two sides would be so great that the national talks would break down.

Union leaders would then have to take the claim to individual employers as the draughtsmen have been doing since the beginning of the year when their national negotations broke down.

Mobil plans to expand refinery

BY ADRIAN HAMILTON

MOBIL OIL has announced plans for a major £13.5m. expansion programme to its refinery at Coryton, Essex. The programme, expected to be completed in 1973, will raise capacity from *140,000 barrels-a-day throughput* to 180,000 barrels per day.

In addition to "de-bottlenecking"—or streamlining—the crude distillation unit, capacity of the reformer section is to be improved and crude oil storage capacity is to be raised with the installation of two 650,000 barrel tanks.

At the same time, distribution facilities are being improved with the construction of a new £1m. rail loading equipment, now being undertaken, and *increasing* the jetty loading facilities on the Thames Estuary.

The move comes within two years of the completion of a £20m. project to double refinery capacity at Coryton with the addition of a large *crude oil* distillation unit and other plant.

Mobil's decision to raise the capacity again reflects the general rise in oil demand following the energy crisis of last winter.

Although consumption growth has slackened recently with the mild weather, most of the major oil groups now feel that demand is likely to press against available processing capacity for some years to come.

Shell, for instance, has now announced plans to more than double capacity at its Shell Haven complex at the cost of about £50m. and is now raising capacity at its Stanlow refinery from 200,000 barrels to 380,000 barrels a day.

Esso, in the meantime, has started work on a £30m. expansion to its Milford Haven facilities, and BP is considering plans to raise capacity at Grangemouth *from 180,000 barrels a day* to 380,000 barrels a day.

Burmah is also increasing its processing capacity at Ellesmere Port while Amoco is building a new refinery at Milford Haven.

Other "green site" complexes *are planned by Burmah-Total*, Occidental and Murco-ENI in the South-East.

U.K. expansion

Total *refinery capacity* in the U.K., which now stands at about 2.25m. barrels a day, is expected to rise to over 2.7m. barrels a day by *1973* and to more than 3m. barrels a day by 1975.

● Norsk Hydro, in which the Norwegian *Government* has a controlling interest, and Norsk Braendselolje, a Norwegian oil company closely associated with British Petroleum, have finalised an agreement to build a jointly owned oil refinery at Mongstad, West Norway.

Norsk Hydro will have a 60 per cent. interest in the refinery, and Norsk Braendselolje 40 per cent. It will have an initial capacity of some 4m. tons per year, and construction cost is now estimated at about £50m. Completion is envisaged by end-1974 or early 1975.

German metal union may call strike to-day

BY CHRISTOPHER LORENZ

FRANKFURT, Nov. 14.

LEADERS of the West German Metal Workers' Union will meet to-morrow to decide whether to call a strike in the Stuttgart area, one of the *country's metal industry* centres, over their disputed 11 per cent. wage claim.

Following a ballot of union members, all the indications are that a stoppage will be called, although the employers to-day made what seems to be the first move to reopen the deadlocked negotiations.

The vote, held on Friday in the North Baden-North Wuerttemberg negotiating area, produced a 90 per cent. majority in favour of industrial action—15 per cent. more than is needed to allow the union to proceed with strike preparations.

North Baden was the first of the country's 20 negotiating regions to go to mediation, and the first in which the established machinery has failed to produce an agreement. Another key region, North Rhine-Westphalia, is in the process of mediation. Here the attempt to produce a mediation proposal acceptable to at least one side is proving so difficult that the deadline for a statement has been extended from to-morrow until Thursday.

North Baden and North Rhine-Westphalia are the two key areas in the country's wage talks, together accounting for about 1.8m. of West Germany's 4.3m. metalworkers. The settlements reached here will have a strong influence on those elsewhere.

A spokesman for the union, I. G. Metall, said to-day that the earliest a strike in North Baden could start was Thursday, allowing for the fact that Wednesday is a German public holiday.

In the wake of the North Baden strike ballot, the employers seem to be taking a softer line. To-day, one of their chief representatives said he could envisage new negotiations on the basis of a 7 per cent. wage increase, with an agreement to run for 12 months. Last week, the employers rejected the mediator's *proposal* of a 7.5 per cent. rise.

MINISTER TO MEET MPs ON COAL IMPORTS

MINERS' MPs, worried about the size of *coal* imports, are to see Sir John Eden, Minister for Industry, on Thuraday. Mr. Roy Mason, MP for Barnsley, who will be at the meeting, said yesterday that 5m. tons of coal were being imported into this country, and this was likely to be increased.

"The Tories could use coal imports to undermine the overtime ban and possible strike by the miners in support of their pay claim," he added. Distributed and undistributed coal stocks in this country now stood at 32m. tons., "so it is not necessary to import coal at this rate."

Continued from Page 1

Decisive talks on Rhodesia start to-day

been claimed (by Mr. Joseph Godber) in the House of Commons that Rhodesia has dropped plans to move Africans from the Epworth and Chisawasha missions near Salisbury.

Furthermore, at its last two party congresses the ruling Rhodesian Front unanimously approved resolutions calling for implementation of the party policy of providing separate facilities for the different races. It wants to end multiracial swimming pools, parks and even post offices.

Rubber stamp

The party is also pushing for the siting of African townships in black-designated areas away from the main towns and cities. While this is not Government policy as yet, it does show just how wide is the gap between the two sides on this point.

The Rhodesians might conceivably accept the establishment *of some sort of commission* to look into race problems, but it is hard to see them agreeing to its role being anything more than advisory.

In theory, Principle Five could offer the greatest difficulty of all. The British Government has to be satisfied that any agreement reached is acceptable to the people as a whole. In the event, it seems that neither side would want to run the risk of having any agreement that may be reached nullified because an agreed test of acceptability went against it.

The feeling in Salisbury is that the commission—or whatever *vehicle is chosen to test the* views of Rhodesians as a whole—will be little more than a rubber stamp. Certainly, Mr Smith is hardly likely to make concessions only to have them thrown back in his face.

That being said, no one here underestimates the very real *problem of showing that there* is some popular African support for any deal. The chiefs are likely to go along with anything *Mr. Smith accepts, but African* politicians—whether in restriction or not—are most unlikely to agree to any formula which *leaves the Rhodesian Front as* firmly in the saddle as ever.

Likely outcome

In addition to the actual test of *acceptability, there are a host* of problems involved in the interim arrangements. For instance, how would the terms be explained to the black majority? Would Joshua Nkomo—in restriction since 1964—and other detained leaders be allowed out to oppose (or support) the agreement as was envisaged under both Tiger and Fearless?

Would Mr. Smith be required to form a broadly-based administration (including Africans) as was also planned on Fearless? Even if a political agreement is reached, there will still be significant financial and economic problems to be resolved.

It may be, as some people here believe, that the British accept the weakness of their bargaining position—thrown into stark relief by last week's Congressional approval for the lifting of the American ban on Rhodesian chrome imports—and are now prepared to settle for the best terms they can get, regardless of the five principles. Unless they are, or unless the Rhodesians are prepared to do an about-turn, the chances of settlement still seem pretty slim.

IN LONDON, Mr. Denis Healey, "shadow" Foreign Secretary, said that the Labour Government miscalculated over the introduction of sanctions against Rhodesia in 1965. "It was a miscalculation to believe the white Rhodesians would surrender to sanctions as fast as was then expected," he said.

In a radio interview, Mr. Healey, who was Defence Minister in the last Government, added that he did not think it was *realistic* to believe that sanctions would now force the Smith regime to its knees. But Rhodesian businessmen wanted sanctions to end, and "this is the only reason why Smith is negotiating."

Lord Alport, a former Conservative Minister who acted as emissary to Rhodesia for Mr. Wilson in 1967, said he did not really welcome Sir Alec's visit.

"I am sorry he has gone before he was quite certain that the conditions which be would feel were acceptable to the U.K. have been worked out by the officials and Lord Goodman in the earlier discussions," he said.

Weather

U.K. TO-DAY

England and Wales will be mainly dry, although rather cloudy. Some light rain or drizzle is likely in the more hilly areas of N. Wales and N.W. England. Brighter spells are likely in S. and Central parts

In Scotland and N. Ireland, it will be mostly cloudy and occasional rain is likely in W. Scotland and N. Ireland.

Temperatures will be near normal although *some* S. counties of England will have frost at first.

London: S.E., Cent. S., E., S.W., Cent. N. and N.E. Eng.; E. Anglia; Midlands; Channel Is.; S. Wales

Rather cloudy, some bright or sunny intervals. Dry. Wind N.W. becoming S.W. light. Max. 10C (50F).

N. Wales; N.W. Eng.; Lakes; I. of Man; S.W. Scot.; Glasgow; N. Ireland

Cloudy; some rain, chiefly near coasts and over hills. Hill fog. Wind S.W. moderate or fresh. Max. 10C (50F).

Borders; E. Scot.; Edinburgh; Dundee

Mostly dry; some bright intervals. Wind S.W. moderate, perhaps fresh. Max. 10C (50F).

Caithness; Orkney; Shetland

Cloudy; occasional rain. Wind W. moderate or fresh, locally strong. Max. 10C (50F).

Argyll; N.W. Scot.; Cent. Highlands

Cloudy; occasional rain. Hill fog. Wind S.W. fresh or strong, perhaps gale. Max. 10C (50F).

OUTLOOK: Some rain at first in England and Wales, otherwise mainly dry but colder with night frost.

Lighting-up: London 16.42.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C
Amsterdm	R	10	50	Manchstr	F	6
Bahrain	S	27	81	Melbourne	C	15
Beirut	C	25	77	Mexico C.	S	19
Belfast	C	9	48	Milan	C	12
Belgrade	C	6	43	Montreal	S	−4
Berlin	C	7	45	Moscow	S	−1
Birmingham	S	8	46	Munich	C	6
Bristol	C	9	48	Newcastle	C	5
Brussels	F	10	50	New York	S	6
Budapest	C	5	41	Oslo	C	1
B. Aires	S	29	84	Paris	S	10
Cairo	S	28	82	Prague	R	4
Cardiff	S	10	50	Reykjavik	C	3
Cologne	F	8	46	Rio de J.	C	29
Copenhgn	F	9	48	Rome	C	15
Dublin	C	10	50	Singapore	C	28
Edinburgh	C	10	50	Stockholm	S	3
Frankfurt	F	9	48	Strasbourg	D	6
Geneva	S	8	46	Sydney	C	19
Glasgow	C	10	50	Tehran	S	19
Helsinki	R	2	36	Tel Aviv	F	24
H. Kong	S	21	70	Tokyo	C	16
Jo'burg	C	19	66	Toronto	C	1
Lisbon	S	14	57	Vienna	C	6
London	S	10	50	Warsaw	C	2
Luxembrg	F	7	45	Zurich	C	7
Madrid	C	7	45			

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C
Ajaccio	R	12	54	Istanbul	F	15
Alexandria	C	24	75	Jersey	F	11
Algiers	F	18	64	Las Pimas	C	21
Athens	S	20	68	Locarno	F	11
Barcelona	F	11	52	Luxor	F	29
Biarritz	R	8	46	Majorca	C	13
Blackpool	C	10	50	Malaga	C	17
Bordeaux	C	7	45	Malta	F	17
Boulogne	F	8	46	Nairobi	C	20
Casablanca	F	15	59	Naples	F	15
Cape Tn.	S	23	73	Nice	C	15
Corfu	C	17	63	Nicosia	C	23
Dubrovnik	C	14	57	Oporto	C	15
Faro	C	17	63	Rhodes	C	19
Funchal	C	19	66	Salzburg	R	5
Gibraltar	[illegible]	[illegible]	[illegible]	Tangier	[illegible]	[illegible]
Guernsey	[illegible]	[illegible]	[illegible]	Tenerife	[illegible]	[illegible]
Innsbruck	[illegible]	[illegible]	[illegible]	Tunis	[illegible]	[illegible]
Inverness	[illegible]	[illegible]	[illegible]	Valencia	[illegible]	[illegible]
I. of Man	[illegible]	[illegible]	[illegible]	Venice	[illegible]	[illegible]

S—Sunny, F—Fair, C—Cloudy, D—Drizzle, R—Rain.

هكذا من الأصل